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# ***Daily Report***

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## **China**

**FBIS-CHI-90-089  
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# Daily Report

## China

FBIS-CHI-90-089

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8 May 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Health Minister Chairs WHO Opening Session

OW0805091890 Beijing XINHUA in English  
0555 GMT 8 May 90

[Text] Geneva, May 7 (XINHUA)—The World Health Organization's 43rd annual assembly opened here today, with a major decision facing it once again over whether to admit the state of Palestine as a full member. The United States has threatened to withdraw its 25 percent of funding if the proposal is approved.

Some 100 member countries are backing Palestine, which at present only has observer status.

Other items on the assembly agenda are nutrition of children around the world, technical and economic aid to countries in economic difficulties, and the organization's programme of "health for all in 2000".

The Chinese health minister, Professor Chen Minzhang, chaired the opening session of the assembly, which is attended by 1,200 delegates from the 166 member countries.

A biannual report on W.H.O.'s 1988-1989 activities, by the W.H.O. director general, Hiroshi Nakajima of Japan, will also be presented to the two-week-long assembly.

### Industrial Nations' Policy Coordination Urged

OW0805083490 Beijing XINHUA in English  
0053 GMT 8 May 90

[Text] Washington, May 7 (XINHUA)—Deputy Governor of the People's Bank of China Chen Yuan today called on the industrial countries, particularly the major ones, "to continue to strengthen their efforts for more effective policy coordination."

Chen made the remarks at the one-day Interim Committee of the Boards of Governors of the International Monetary Fund (IMF), which started this morning.

"While monetary policy tends to keep inflation in check, the roles of fiscal and structural policies should be strengthened to maintain noninflationary growth, stabilize exchange and interest rates, and reduce external imbalances," he said.

He noted that policy adjustments in both the deficit and surplus countries should be complementary, thereby maintaining appropriate growth of aggregate demand in the major industrial countries as a whole, while providing a sound external environment for export growth and external debt alleviation in the developing countries.

He expressed the concern about the impact of slowed economic growth in the industrial countries on the developing countries.

A persistent deterioration in the terms of trade of the developing countries, coupled with rising world interest

rates, "aggravated the burden of adjustment and cast a shadow on the outlook of the debt problem and on the economic growth of most of the developing countries," Chen said.

He said that industrial countries should roll back trade protectionism, open markets to exports of developing countries, and lower the level of real interest rates.

He said that China supports a substantial increase in the IMF's quota, but opposes the linkage of the quota increase with the settlement of arrears of some member countries.

Under the Ninth Quota Review, the IMF originally planned to double its resources to 240 billion dollars, a target backed by many developing countries.

But, because of the objection of the United States, the quota may increase by 50 percent to 180 billion dollars.

### 'Proper Revision' to Montreal Protocol Stressed

OW0805082990 Beijing XINHUA in English  
0146 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—A senior Chinese official said today that proper revision should be made to the Montreal Protocol on substances that deplete the ozone layer, in line with the proposals of the developing countries to safeguard their interests.

The official, from the Environmental Protection Committee of the State Council, told XINHUA that last month the Chinese delegation to the conference of select developing countries on global environmental issues in New Delhi discussed the Montreal Protocol with the Indian delegation and they shared identical views on the issue.

The Montreal Protocol, adopted in September 1987, is an international treaty restricting the production or use of substances that deplete the ozone layer. So far, 57 countries and regions have signed it.

Some international analysts believe that some provisions of the protocol neglect the interests of the developing countries.

The official said that the two delegations reviewed the amendments to the Montreal Protocol put forward by the developing countries with a view to allaying their concerns regarding the provisions of the protocol and to enabling them to join in efforts to save the ozone layer.

The two delegations held that these amendments would seek to correct the existing discriminatory provisions in the protocol, ensure the transfer of ozone-safe technologies and provide them with the funds to cover the incremental costs they would have to bear for adhering to the provisions of the protocol, he said.

The two delegations were of the view that the acceptance of the amendments put forward by the developing countries would create the right atmosphere for them to

seriously consider observance of the Montreal Protocol and thus join in global efforts to prevent depletion of the ozone layer.

The two delegations also urged the developed countries to respond positively to the proposals of the developing countries in the interest of global action for protection of the ozone layer, the official concluded.

### **Delegate Outlines Development Strategies**

*OW0705181590 Beijing XINHUA in English  
0745 GMT 7 May 90*

[Text] Washington, May 6 (XINHUA)—Developing countries should decide their development strategies on the basis of historical experiences and in line with the economic and social conditions of their own countries, Chinese Vice Minister of Finance Liu Zhongli said today.

Addressing the ministerial meeting of the Group of 24 here, Liu said the share of private sector in a given economy should be tailored to the development needs of the country and determined by the specific circumstances of the country.

Liu called on the international community to work out "a full-fledged and comprehensive strategy" to help developing countries resolve the worsening debt problems.

He said China supports the proposal for establishing a global environmental facility, but this facility should be funded with additional and concessional resources.

"It should not affect the World Bank's existing environment projects, nor should it impose any cross-conditionality on recipient countries," he added.

The vice minister said under the current situation, multilateral international development agencies should take concrete measures to ensure that the development assistance to African and Latin American countries will not be adversely affected because of the financing needs of the East European countries.

Liu expressed hope that the World Bank would be able to "overcome external interferences" to bring about the normal development of its cooperative relations with the developing countries including China. Its articles of agreement explicitly stipulate that the bank will not interfere in the political affairs of its member countries and that its decisions should be solely based on economic considerations, Liu said.

"It is regretful, however, that for nearly one year this provision in the bank's charter has not been observed," he said.

He noted that the bank's loans to a low income country such as China have been seriously obstructed. "This phenomenon cannot but cause serious concerns to all of us here," he said.

The Group of 24 comprises developing countries whose ministers meet twice a year in conjuncture with the spring and the autumn annual meetings of the International Monetary Fund and the World Bank in order to coordinate their positions on many issues of common concern.

### **NATO Foreign Ministers Discuss Germany**

*OW0605052190 Beijing XINHUA in English  
0037 GMT 4 May 90*

[Text] Brussels, May 3 (XINHUA)—A special meeting of the foreign ministers of the 16 nations of the North Atlantic Treaty Organization (NATO) ended here Thursday.

The one-day meeting came after some NATO nations expressed the concern that they were being shut out of the German unification process.

It was aimed at discussing the external aspects of German unification and the adjustment of NATO's role and functions in face of a changing Europe.

"NATO is preparing for the future. Today's meeting of foreign ministers begins a series in the next two months which will allow us to define the future tasks, develop ideas for the future security structure of Europe, prepare membership of a united Germany in NATO and adjustment of our alliance, our policy and our strategy to the changing circumstances," said NATO Secretary General Manfred Woerner at a press conference after the meeting.

The foreign ministers reached agreement on the principles for guiding German unification process, he said.

The meeting insisted on full membership of a united Germany in the alliance and agreed that NATO's military forces will not be expanded.

"We have no intention of shifting the balance in Europe," Woerner said.

He made clear that NATO had started to adjust its force posture and force planning in Europe.

The NATO chief clearly rejected double membership of a united Germany, saying, "It is a kind of neutrality, it will be not acceptable."

The meeting also discussed the CSCE issue, NATO's political and military role and relations with the Soviet Union.

As regards the CSCE issue, the ministers decided to discuss preparations for a summit of the 35-nation Conference on Security and Cooperation in Europe (CSCE) during the United Nations Assembly in September.

### **FAO Plans Beijing Food Control Training Center**

OW0705225590 Beijing XINHUA in English  
1232 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—The United Nations Food and Agriculture Organization (FAO) has decided to establish a food-control training center in China, the FAO's representative in China, Hans A.H. Dall, told a seminar here today.

According to Dall, the training center, the FAO's fifth in Asia, will be located in the technical institute of China's Import and Export Commodities Inspection Bureau in Beijing.

To improve the food-control infrastructure in the region and ensure the interests and health of consumers, the FAO began to establish a regional food-control training network in 1987, and has since then conducted several seminars and training programs.

The organization has already established four training centers—in India, Thailand, Indonesia and Malaysia—and offered free training courses for 20 food-control managers in China.

The Beijing training center is expected to provide Asia with more competent food-control personnel and technical exchanges in the field. It will also help China's food exports by improving the country's food-control management.

### **Sino-Soviet-U.S. Team Climbs Mount Everest**

OW0805060590 Beijing XINHUA in English  
0614 GMT 7 May 90

[Text] Qomolangma Base Camp, Tibet, May 7 (XINHUA)—The first group of the three-nation expedition succeeded in conquering Mount Qomolangma, the world's highest peak, early this afternoon.

The first group is composed of six climbers. They are Jiabu and Daqimi from China, Sergey Arsentjev and Grigeriy Lunjakov of the Soviet Union, and American climbers Robert Link and Stephen Gall.

They started their final assault on the 8,848-meter Mt. Qomolangma from the final camp located at 8,680 meters at 10:30 today, and reached the peak at 13:13.

The six climbers left the base camp on April 30.

### **Beijing Hosts International Meteorology Course**

OW0705150990 Beijing XINHUA in English  
1157 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—A special course on the use and processing of meteorological data collected from satellites opened here today.

During the 20-day training course 30 scholars from 15 countries will hear lectures by Chinese and American

meteorologists on the collection and processing of satellite data and remote-sensing technology.

China began to collect data from foreign satellites for weather analysis and forecasting in the 1970s. Now, such data is useful for the fishing industry, forest fire warning and agriculture.

### **International Math Olympiad Scheduled for Jul**

OW0705143690 Beijing XINHUA in English  
0728 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—China will host the 31st International Mathematics Olympiad in Beijing from July 8 to 19.

China will be the first Asian country to host the world's highest level math competition.

Fifty-three countries and regions, including the German Democratic Republic, Hungary, Romania, the United States, the Soviet Union, the Federal Republic of Germany and China will take part in the competition to be held at Beijing Institute of Linguistics.

In 1985 China, for the first time, sent two high school students to the International Math Olympiad, bringing home a bronze medal.

Last year China grabbed four gold and two silver medals at the math olympiad, becoming the first Asian country to win the overall championship.

## **Soviet Union**

### **Jiang Zemin Interview With PRAVDA Cited**

OW0405133190 Beijing in Russian to the USSR  
1900 GMT 29 Apr 90

[Text] Jiang Zemin, general secretary of the CPC Central Committee, was interviewed by PRAVDA newspaper political observer Ovchinnikov in Beijing in the afternoon of 28 April, in which he positively assessed the development of PRC-USSR and CPC-CPSU relations over the past year and expressed hope for further development through the joint efforts of both sides. Here is a summary of the interview with Jiang Zemin.

Speaking on PRC-USSR relations, Comrade Jiang Zemin said: In May last year, the historic meeting between Deng Xiaoping and Comrade Gorbachev took place. It provided an opportunity to break with the past and to work toward the future of Chinese-Soviet relations. During the year that has elapsed since the Chinese-Soviet summit meeting, the sides have already made a gratifying step on the path of developing good-neighborly and friendly relations. It is essential for China and the Soviet Union to develop long-term, stable, good-neighborly, and friendly relations as these are in the fundamental interests of the two countries' peoples



as well as a prerequisite for defending peace and stability in both the Asian and Pacific Region as well as in the whole world.

Premier Li Peng's official visit to the Soviet Union has just ended successfully. Mutual exchanges and cooperation in the political, economic, trade, scientific, and technological fields and so forth received a further boost. Comrade Jiang Zemin expressed happiness over the development of relations between the parties of the two countries. He noted: Despite differences in our conditions and tasks, and despite the fact that our points of view on many issues are not quite the same, the CPC and the CPSU have many identical or convergent points concerning the fulfillment of their historic missions. Both parties have a history of glorious revolutionary struggle. Reforms and restructuring are underway in both of our countries, and many similar new problems are appearing in these processes. Both of them have made and are making a positive contribution to the cause of defending peace throughout the world. Mutual exchanges and mutual recognition of experience between the CPC and CPSU is extremely beneficial for both sides, and will play a positive role in reforms and in developing socialism in the two countries.

Turning to the situation in China, Comrade Jiang Zemin emphasized the role of the CPC as the guiding nucleus in the cause of the socialist modernization of China. He noted: The CPC has become the guiding nucleus of the cause of revolution and social progress, through the historic choice of the Chinese people in the course of a protracted struggle. Without a guiding nucleus such as the CPC, there can be no victory in the cause of socialism.

While defending and strengthening the leadership of the CPC, China at the same time also realizes that our age is different from the past, and that it is essential to perfect party leadership, taking into consideration the new situation, new tasks, and new historic conditions. At the present time, we are engaged in certain reforms and quests. Such tasks as perfecting the system of multiparty cooperation and political consultation, delineating the functions of party and state organs, perfecting the system of people's congresses, normalizing socialist democracy and legality, consolidating ties with the people's masses, strengthening party building, and so forth, are being undertaken under CPC guidance.

In connection with the approach of 1 May, Comrade Jiang Zemin in conclusion wished happiness, tranquility, and prosperity to the Soviet people, and asked PRAVDA to convey a holiday greeting to the Soviet people.

#### **Commentary Views Li Peng's Moscow Visit**

OW0505090690 Beijing in Russian to the USSR  
1900 GMT 27 Apr 90

[Correspondent's commentary: "For Consolidating Friendship and Strengthening Cooperation"]

[Text] It is a warm spring in Moscow this April and flowers are blooming everywhere. After a break of 25 years, the premier of the PRC State Council made an official and friendly visit to the Soviet Union, which gave new impetus to the development of relations between our two countries. During the visit, PRC State Council Premier Li Peng met and had talks with Soviet leaders Gorbachev and Ryzhkov. An exchange of views on questions of further developing relations between the two countries and on important international issues took place in a friendly, open, and constructive atmosphere. During the visit, six documents were signed aimed at strengthening cooperation in the economic, scientific, technical, military, and diplomatic spheres.

The results of the current visit showed that it has promoted consolidation of friendship and strengthening of cooperation and further advanced the process of developing relations between the two countries. During the visit, State Council Premier Li Peng was given a warm welcome by the Soviet people. This is easy to understand. After all, the establishment and development of good-neighborly and friendly Sino-Soviet relations, based on the five principles of peaceful coexistence, not only corresponds with the fundamental interests of both peoples, but will also have a favorable influence on the consolidation of peace and stability in Asia and throughout the world.

In May last year, CPSU Central Committee General Secretary Gorbachev made a visit to China, which marked the normalization of relations between the two states and two parties of China and the Soviet Union, and gave us an opportunity to close the past and open the future, after which the relations between the two countries entered a new stage of development. During the past year, political relations developed in a stable way and talks on border issues are continuing. Agreement was reached on reducing armed forces and strengthening confidence in the military sphere in the Sino-Soviet border regions. Obvious progress has been achieved in the relations of our countries in the spheres of economics, trade, science, technology, culture, education, and so forth.

China and the Soviet Union are linked by common rivers and mountains and have a common border more than 7,000 kilometers in length. They are both socialist countries and are pursuing reforms and reconstruction in accordance with the realities of their countries. The economies of the two countries have their positive side and can mutually supplement one another. That is why our countries possess enormous potential for developing mutual cooperation. China is prepared to reveal these opportunities to the utmost and to undertake even greater steps in developing friendly cooperation between the two countries.

Everyone knows that Sino-Soviet relations have passed through a zigzag path of development. Normalization was not easy for us. China very highly cherishes the achieved results. Historic experiences convince us that,

if only we are firmly and invariably guided by the five principles of peaceful coexistence and the spirit of the joint Sino-Soviet communique, Sino-Soviet relations will undoubtedly receive even more healthy and stable development.

### **Soviet Victory Over Fascism Marked at Reception**

OW0705145790 Beijing XINHUA in English  
1031 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—Soviet Ambassador to China O.A. Troyanovskiy gave a reception at the embassy here this afternoon to mark the 45th anniversary of the Soviet people's victory over fascism.

Peng Chong, vice-chairman of China's National People's Congress Standing Committee, was among the guests.

A documentary film on the Second World War was shown at the reception.

### **Trade Delegation Attends Guangzhou Fair**

HK0405055990 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1152 GMT 23 Apr 90

[Report: "Soviet Delegation Visits Guangzhou Trade Fair for the First Time"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 23 Apr (ZHONGGUO XINWEN SHE)—"China's export commodity trade fair is a very good form of promoting foreign trade, and we hope that more people engaged in foreign trade in the Soviet Union will be able to visit this fair and learn some useful experience," Yiger Qiulin [0122 2706 1422 4428 2651], a senior official of the Soviet Ministry of Foreign Trade in charge of import and export trade, said so to ZHONGGUO XINWEN SHE this morning after visiting the spring session of the export fair in Guangzhou.

A three-member delegation of the Science and Production Association of the USSR National Academy of Science arrived in Guangzhou on 22 April. The three members are Yiger Qiulin, an official of the Soviet Ministry of Foreign Trade, Lieangnide Qiwonianke [0441 2491 1441 1795 1148 3087 1628 4430], chairman of the Science and Production Association of the USSR National Academy of Sciences, and Youli Ajimifu [1429 6849 7093 1015 4717 1133]. After visiting the Dongfang Scientific Instrument Import and Export Corporation affiliated to the Chinese Academy of Sciences, they said that the main purpose of their trip was to learn something about the form and role of a scientific research institution in participating in such commercial fair.

Yiger Qiulin said: The Soviet Union is reforming the structures and systems in various aspects of society. For the scientific circles in the Soviet Union, the new question they are facing is how to carry out reform in the field

of scientific research and how to turn science and technology into applied products needed on the market. In this regard, China has achieved satisfactory results in its explorations.

Qiulin said that so far, the Soviet Union has never held such a large-scale export commodity fair yet, so everything here seemed fresh to them. They also highly valued China's electronics products and other daily-use consumer goods exhibited here and hoped that China would also hold a trade fair in the Soviet Union to introduce these electronics products, medicine, and other special categories of products to the Soviet Union.

Finally, Yiger Qiulin said: China and the Soviet Union share a very long boundary line, and are friendly neighbors. They have many cooperation opportunities. Now, border trade between the two countries is very brisk, and this is greatly beneficial to social development in both countries.

It is learned that the Soviet delegation visited China according to the cooperation agreement signed by the national academies of sciences of the two countries. They arrived in Beijing on 17 April, and will visit a radio plant in Jiangmen City after staying in Guangzhou for two days before they return home.

### **Trade Delegation Visits Harbin**

SK0705112890 Harbin HEILONGJIANG RIBAO  
in Chinese 31 Mar 90 p 1

[Text] On 30 March, Du Xianzhong, vice governor of Heilongjiang Province, received at the Huayuncun Guesthouse the trade delegation of Irkutsk Oblast of the Soviet Union, which is headed by Pachskov [name as published], first deputy director of the oblast consumers' cooperative.

The Soviet oblast consumers' cooperative established a trade tie with the provincial supply and marketing cooperative in March 1989. They have signed trade contracts worth 15.7 million Swiss francs and exchanged goods worth 5 million Swiss francs. A balance between the trade volume of both sides has been basically maintained.

During the reception, Vice Governor Du Xianzhong also asked Pachskov, head of the Soviet trade delegation, to relay the province's invitation to the delegation of the Irkutsk Oblast Executive Committee to attend the foreign trade talks with the Soviet Union and Eastern European countries which will be held in the city of Harbin in June this year. Attending the reception were Wang Yaochen, director of the provincial foreign affairs office; Li Shuwen, director of the provincial supply and marketing cooperative; and responsible persons from the provincial border trade bureau.

**Heilongjiang Company Increases Soviet Trade***SK0705111290 Harbin HEILONGJIANG RIBAO  
in Chinese 19 Mar 90 p 1*

[Summary] The Heilongjiang Provincial Import-and-Export and Economic and Technical Development General Corporation established in June 1988 has scored gratifying trade achievements by extensively seeking trade partners, ensuring the supply of the traded commodities, and paying attention to honoring the contracts.

As of now, the general corporation has had more than 40 trade partners, signed trade contracts worth more than 70 million Swiss francs, and has earned more than three million yuan of profits.

Before the end of 1989, the corporation had seven trade partners with the Soviet Union, including the (Turniv) flotilla bureau of Vladivostok and the Blagoveshchensk production and consumers' cooperative. By the end of 1989, the number of the corporation's trade partners in the Soviet Union showed a 33-unit increase over 1988 and it expanded its trade business from the Soviet maritime region and Amur Oblast to four krais and oblasts and 16 cities, including Khabarovsk maritime region, Moscow, and Chita Oblast.

In 1989, the corporation dispatched 210 workers to Vladivostok to take up the building project of 15,000-square-meter residential houses for the (Turniv) flotilla bureau. At present, the corporation's commodities traded with the Soviet Union reach 100 varieties of 27 categories and it has signed draft trade contracts with the Soviet business firms, which are worth more than 50 million Swiss francs, and seven letters of intent on economic and technical cooperation and contracts on labor force supplies, which are worth more than 30 million Swiss francs.

**Xinjiang, USSR Border Trade Increases***HK0405143090 Hong Kong ZHONGGUO TONGXUN  
SHE in English 0105 GMT 4 May 90*

[Text] Urumchi, May 4, (HKCNA)—Cross border trade between the Xinjiang Autonomous Region and the Soviet Union is increasing.

Figures show that contracts signed have amounted to more than 300 million Swiss francs of which 170 million Swiss francs have already been used, a figure which is doubling every year.

Cross border trade between the two places was resumed in 1986. Huoerguosi and Tuerkate which have established trading, economic and technical cooperation as well as a labour service relationship with eight Soviet republics, are the two places at present open for such trade.

It is reported that contracts for a further 29 cooperative projects have been signed and over 100 letters of intent are at various stages of development.

**Xinjiang Expands Postal Service Center on Border***OW0505121190 Beijing in Russian to the USSR  
1900 GMT 28 Apr 90*

[Text] Construction of an international post office, with a total floor space of 1,100 square meters, was begun at the Korgas Foreign Export Port on the PRC-USSR border in Xinjiang at the beginning of April. An exchange of international postal and telegraph operations is carried out through Korgas.

In view of the expansion of relations with the Soviet Union, the Ministry of Communications and the Xinjiang Uygur Autonomous Region invested more than 500,000 yuan for the construction of the new postal building, which will permit an increase in the volume of postal and telegraphic operations.

**Northeast Asia****Mongolian Leader Terms Visit 'Very Significant'***OW0705154590 Beijing XINHUA in English  
1531 GMT 7 May 90*

[Text] Ulaanbaatar, May 7 (XINHUA)—Mongolian leader Punsalmaagiyn Ochirbat today described his visit to China as satisfactory and very significant for the development of friendship and cooperation between the two countries.

Ochirbat, returning from Beijing this afternoon, made the remarks at the airport after a five-day official visit to China, the first ever by a chairman of the Presidium of the Great People's Hural of Mongolia.

Leaders of the two countries reiterated in their talks that they will develop their bilateral relations in line with the five principles of peaceful coexistence and improve bilateral cooperation on the basis of mutual benefit, the Mongolian leader said.

In addition to the signing of agreements on environmental protection, hygiene and science and technology, the Mongolian leader said the two sides also agreed China will help Mongolia build medium- and small-sized enterprises and find a sea outlet for Mongolia.

**Japan's Michio Watanabe Continues Visit****Meets Jiang Zemin***OW0405134990 Tokyo KYODO in English  
1305 GMT 4 May 90*

[Text] Beijing, May 4 KYODO—Chinese Communist Party General Secretary Jiang Zemin told senior Japanese politician Michio Watanabe Friday that China will



continue with one-party communist rule despite the reforms under way in the Soviet Union and East Europe.

"China will maintain the leading role of the Communist Party...We allow no interference in our socialist system which we chose after long years," Jiang said in an hour-and-a-half meeting with Watanabe at the Zhongnanhai Government Complex, Japanese sources said.

Watanabe, a former finance minister, while pledging that Japan will keep its promise to provide 810 billion yen package of official loans to China in the period 1990-95, urged China to take the initiative to improve relations with other Western nations to provide a suitable environment for Japan to resume the loans, the sources said.

Japan suspended the loan package last June to protest the bloody crackdown against China's prodemocracy movements, in accordance with calls by major industrialized nations to impose economic sanctions.

Jiang, refusing to respond to Watanabe's calls, said no pressure can possibly make China give in. "We cannot make our 1.1 billion people bow their heads," he was quoted as saying.

Jiang, who visited North Korea in March, said North Korean leader Kim Il-song enjoys high popularity and there were no signs of political changes or moves for economic reforms, the sources said.

Watanabe asked for Chinese assistance to facilitate a Japanese plan to send former Deputy Prime Minister Shin Kanemaru to Pyongyang sometime in September or October to seek an early release of two Japanese seamen detained there since November 1983 on espionage charges.

Watanabe said the release of Isamu Beniko, skipper of the freighter No.18 Fujusan Maru, and Yoshio Kuriura, its chief engineer, will contribute to stepped-up trade between Japan and North Korea, they said.

When queried by Watanabe, Jiang said China-Japan Friendship Association President Sun Pinghua will start preparing for meetings in Beijing between Chinese leaders and Kanemaru when Kanemaru stops there on his way to North Korea, according to the sources.

Jiang said China has made several inquiries on the seamen issue but has received no response from North Korea.

But he said China will continue trade exchanges with South Korea on a nonofficial basis, they said.

#### Discusses Bilateral Ties

OW0405140390 Beijing XINHUA in English  
1337 GMT 4 May 90

[Text] Beijing, May 4 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China (CPC) Central Committee, met here this afternoon with Michio Watanabe, Japanese Diet member and former chairman

of Political Affairs Investigation Committee of the Liberal Democratic Party of Japan.

Prompted by the Japanese guest's request, Jiang briefed him on China's reform and opening.

Jiang said the political disturbances in Beijing last year have not led China to change its general policy of "one center, two basic points," i.e. maintenance of the four cardinal principles as well as reform and opening.

"In our view," Jiang said, "the political restructuring and economic reform are closely linked and must be conducted simultaneously."

On political restructuring, he said China has done much to implement the multi-party cooperation system under CPC leadership, to recognize the importance of the role of the National People's Congress, to give full play to the concentrated leadership of the central authorities while mobilizing positive factors of localities, and to strengthen contacts between the CPC and the masses.

As for the economic reform, he noted China has placed particular importance on the speed of development and strived to avoid being over anxious for quick results. "We readjust our economy constantly and make it grow at a suitable rate," he added.

In response to Watanabe's question on the Hong Kong issue, Jiang said Hong Kong can still apply the capitalist system after 1997. The maintenance of stability and prosperity in Hong Kong and of its status as an international financial and trade center is beneficial to China, Britain and other countries, he said.

Jiang said he hopes the Hong Kong Government and the people of all quarters in Hong Kong will gain a full understanding of this.

The CPC leader stated that in a country as big as China, the people hope for a peaceful international environment to build up their country. They would neither like to force the socialist system, which they have chosen through decades of struggle, on others, nor like others to force the capitalist system on China.

Watanabe said he had not come to China for nine years and was surprised to see the big changes.

He noted that Sino-Japanese relations have a long history of friendship and also during this long period, misfortunes happened in which Japan caused disasters for the Chinese people.

"We should not let Sino-Japanese relations become estranged because of the political disturbances in Beijing last year," he said.

### Meets Li Peng, Wu Xueqian

OW0605174590 Beijing in Japanese to Japan  
1430 GMT 4 May 90

[Text] Premier Li Peng met with Mr. Michio Watanabe, Japanese lower house dietman and former chairman of the Policy Affairs Research Council of the Japanese Liberal Democratic Party, and his entourage at Great Hall of the People on the afternoon on 5 May. During the meeting, Premier Li Peng expressed the hope that Sino-Japanese relations will develop positively. Premier Li Peng said: Sino-Japanese relations are no easy matter. It was no easy task to develop bilateral ties to the current state. All insightful politicians should be making efforts to develop Sino-Japanese friendship in ways that can be handed down from generation to generation.

Premier Li Peng also said that China neither wants to isolate itself nor close the doors that have been opened. He reiterated that it is one of China's fundamental policies to maintain friendly relations with all other nations in the world on a basis of the five principles of peaceful coexistence. He also explained his intention to restore and develop the relations with Japan on this basis.

In response, Mr. Michio Watanabe, who visited China nine years ago as finance minister, said: I have come to China nine years after my previous visit. I have witnessed the great changes that have taken place in China. I am pleased to learn that the situation in China is stable.

Deputy Premier Wu Xueqian also met with Mr. Michio Watanabe and his entourage at Zhongnanhai in Beijing on the morning of 5 May to exchange views on international issues of common concern. At the meeting, Deputy Premier Wu Xueqian said that an increasing number of Japanese politicians are visiting China. He said he is pleased with this trend and hopes that more Japanese guests will visit China.

Mr. Watanabe said: Japan-China relations are very important. Japan and China should continue to promote friendly and cooperative ties for stability and peace in Asia and the world.

The deputy premier also met with a delegation from the Japan-China Association led by Takeshi Noda, Japanese lower house dietman and director of the Japan-China Association.

### Li Peng Meets Former Japanese Prime Minister

#### Views Economic Development

OW0705143290 Beijing XINHUA in English  
1414 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—Chinese Premier Li Peng said here today that after a period of economic readjustment, inflation in China has been effectively

curbed and the economy began to recover in April this year, an indication that its economy is emerging from the doldrums.

While meeting former Japanese Prime Minister Sosuke Uno and his party here this afternoon, Li briefed them on China's political and economic situations. He said that the political situation in China is stable, the economy is showing a turn for the better and the people's mood is also stable.

Li said the Chinese Communist Party and the government are leading the huge country effectively. He said he hopes the Western countries will soberly face up to this reality.

On bilateral relations, Li said that, as neighboring countries and with similar cultural traditions, China and Japan should strengthen co-operation.

Uno expressed the hope that Japan-China relations would be restored to the healthy condition they were in before last June. He held that China has made big efforts to improve relations with Western countries, and these should be appraised positively. He expressed his willingness to work for the improvement and development of Japan-China relations.

Li expressed his appreciation of the efforts made by Uno for developing bilateral friendly relations.

### Western Ties Improvement Stressed

OW0705145190 Tokyo KYODO in English  
1441 GMT 7 May 90

[Text] Beijing, May 7 KYODO—Premier Li Peng said China is ready to improve its ties with the West but that Western powers must take the initiative.

Li expressed China's frustration at the West's economic sanctions in a meeting with former Japanese Prime Minister Sosuke Uno, a Japanese spokesman traveling with Uno said.

"China wants to make its own efforts for the improvement of ties (with the West), but this is not a quid pro quo," Li was quoted as telling Uno.

Li said Japan and its partners in the economically developed democracies should act fairly toward China at the annual summit meeting in the United States scheduled to take place in July.

The seven Western powers imposed economic sanctions on China in their summit meeting last year in protest against the military suppression of the pro-democracy movement in China last June.

### **Wu Xueqian Meets Visitors From Japan**

OW0405195690 Beijing XINHUA in English  
0825 GMT 4 May 90

[Text] Beijing, May 4 (XINHUA)—Chinese Vice Premier Wu Xueqian met Kazuhiko Tsuji, member of the House of Representatives of Japan and vice chairman of the headquarters of Japan-China Friendship Association, and his party here today.

The Japanese guests arrived here May 2 to sign a protocol of the Talbe tennis friendship competition of Sino-Japanese sister cities scheduled at the end of November.

### **Li Peng Meets Cultural Exchange Association**

OW0705125590 Beijing XINHUA in English  
1135 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—Chinese Premier Li Peng met Kyoko Nakajima, widow of the late director-general of the Japan-China Cultural Exchange Association, Kenzoo Nakajima, and her party here this afternoon.

Li thanked Kyoko Nakajima and her late husband for their contributions to the development of Sino-Japanese friendship.

### **Ni Zhifu Meets Japanese Visitors**

OW0705180990 Beijing XINHUA in English  
0740 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—Ni Zhifu, vice chairman of the National People's Congress (NPC) Standing Committee and president of the All-China Federation of Trade Unions, met here today with a delegation from the Japanese Shizuoka Prefecture's Association for Friendship With China.

Headed by Shinji Aoki, member of the House of Councillors of the Japanese Diet, the delegation arrived here yesterday after visiting Shanghai, Hangzhou, and Xian.

### **Sino-Japanese Data Processing Company Opens**

OW0705224990 Beijing XINHUA in English  
1428 GMT 7 May 90

[Text] Shanghai, May 7 (XINHUA)—The Shanghai-Daikei Data Processing Co. Ltd, a Sino-Japanese joint venture, opened in the Shanghai high-tech park today.

The company, operated by Japan's Daikei Company and the Shanghai Investment and Trust Corporation, is involved in computerized data processing and development of hardware and software. With a floor space of 4,500 sq m and with 260 employees, it has imported technology and equipment from Japan. The investment amounts so far to three million U.S. dollars, of which the Japanese side has provided 80 percent and the Chinese side, 20 percent.

Xu Huiliang, general manager, said the joint venture plans to expand its production scale next year, increase its work force to over 1,000 and concentrate its efforts on development of software.

Daikei, a major Japanese data processing company, set up a joint data processing firm in the Shenzhen Special Economic Zone in 1986.

Xu said that Daikei selected Shanghai to set up the second joint venture in China because Shanghai has a large number of scientists and skilled workers, sufficient power supply and daily flights to Japan.

In the Shanghai high-tech park there are 14 Sino-foreign joint venture and wholly foreign-invested firms with investment totalling nearly 200 million U.S. dollars. The investors include the 3M Company and [words indistinct] of the United States, Philips of Holland, Bell of Belgium and Air-Liquid of France.

Japan is the third largest investor in Shanghai after Hong Kong and the United States. Direct Japanese investment amounts to 38 million U.S. dollars and the firms with Japanese interests break down into 80 joint ventures, 17 cooperative enterprises and four firms with solely Japanese funds.

### **DPRK Commercial Delegation Visits Jilin**

SK0705000190 Changchun Jilin Provincial Service  
in Mandarin 2100 GMT 30 Apr 90

[Text] Upon the invitation of the PRC's Ministry of Commerce, a seven-member delegation of the DPRK's Ministry of Commerce, headed by (Kim Pong-ok), director of the guidance bureau under the DPRK's Ministry of Commerce, arrived in Changchun from Beijing on 26 April for a fact-finding visit to the province.

On the evening of 29 April at the Nanhu Guesthouse, Liu Xilin, vice governor of Jilin Province, cordially met with all members of the delegation, and extended a warm welcome to the DPRK commercial delegation for its observation and visit to the province. He pointed out: The visit of the DPRK's comrades to the province has promoted friendship between the peoples of the two countries, and has a positive significance in strengthening the commercial contacts between the DPRK and the province.

### **DPRK Provincial Delegation Visits Liaoning**

SK0705020990 Shenyang Liaoning Provincial Service  
in Mandarin 0930 GMT 28 Apr 90

[Text] At the invitation of the Liaoning Provincial CPC Committee, the seven-member delegation of the North Pyongan Provincial Committee of the Workers Party of Korea [WPK] of the DPRK, which is headed by (Han Song-san), secretary of the provincial WPK Committee, arrived by train in the city of Shenyang on the afternoon of 27 April to pay a friendly visit to our province.

Greeting the honored Korean guests at the railway station were Wang Julu, deputy secretary of the provincial party committee; and Dong Wande, deputy secretary of the Shenyang City party committee.

Then, the Korean comrades paid an official call on the provincial party committee, and Quan Shuren, secretary of the provincial party committee, cordially received all comrades of the Korean delegation. During the reception, he, on behalf of the provincial party committee and party members and the people throughout the province, extended warm welcome to the visit of the Korean delegation and informed the Korean comrades of the province's tremendous achievements scored in conducting reform and opening to the outside world since the Third Plenary Session of the 13th CPC Central Committee. Both host and guests reviewed the history of friendly contacts between the two provinces and unanimously expressed that efforts should be made to make new contributions to further enhancing and developing the long-standing friendship and unity between the two provinces.

Attending the reception were Sun Qi and Wang Julu, deputy secretaries of the provincial party committee; Shang Wen, member of the provincial party Standing Committee; (Cui Wenjin), deputy secretary general of the provincial party committee; Li Xishun, director of the provincial foreign affairs office; and (Chen Shizhong), deputy director of the provincial foreign affairs office.

That evening, Quan Shuren hosted a banquet at the Youyi Hotel in honor of the honored Korean guests, including (Han Song-san). Also greeting the Korean delegation at the railway station and attending the reception and banquet was Yu Man-pok, consul general of the DPRK Consulate General in Shenyang City.

### Southeast Asia & Pacific

#### Human Rights Workshop in Philippines Opens 7 May

OW0705193390 Beijing XINHUA in English  
1452 GMT 7 May 90

[Text] Manila, May 7 (XINHUA)—An Asia Pacific human rights workshop, the first of its kind, was opened here today.

The five-day (May 7-11) workshop is attended by delegates from twenty-two Asian-Pacific countries and regions.

In her keynote address opening the workshop, Philippine President Corazon Aquino reaffirmed her government's commitment to the protection of human rights. She said that the Philippines has signed a total of 29 international human rights instruments and established the Philippine Commission on Human Rights "to give our commitment both form and substance."

The president said that while the government could not claim it had totally eradicated violations of human rights in the country, it would never become a pattern nor a policy for her administration.

The workshop is under the auspices of the Philippine Department of Foreign Affairs in collaboration with the United Nations Center for Human Rights.

Delegates from Afghanistan, Australia, Bangladesh, Brunei, China, Cyprus, India, Indonesia, Iran, Iraq, Japan, the Maldives, Mongolia, Myanmar [Burma], New Zealand, Pakistan, Singapore, South Korea, Thailand, Vietnam, Western Samoa and the Philippines attended the workshop.

#### RENMIN RIBAO Views Battle in Cambodia

HK0405123490 Beijing RENMIN RIBAO in Chinese  
20 Apr 90 p 4

["Newsletter" from RENMIN RIBAO reporter group: "Stalwartly the Heroic Town of Pailin Stands—What Is Seen and Heard in Cambodia (Part Four)"]

[Text] There is a town of strategic importance named Pailin on the western border of Cambodia. It is of great concern to various quarters in Cambodia and in many other countries. We paid a visit to Pailin in early spring this year.

At the mention of Pailin, people will invariably remember: "It is a place rich in gems." Pailin boasts of quality rubies and sapphires, and the resources have been exploited for a long time. In his novel "Rose in the Zhu Mountains," which won universal praise, nie tai mu [3206 3141 1191], a famous Cambodian writer, gives a minute description of Pailin's miners' work and love affairs, and of Pailin's elegant demeanour. In the past, there was a superb collection of gems in Pailin's shops and business was booming. However, after it was occupied by Vietnamese aggressor troops in 1979, Pailin was plunged into an abyss of suffering. Many houses collapsed, while the remaining ones were pocked with shell marks. Jewelers went into exile, civilians were forced to leave home and wandered about as refugees. The gong gang [6300 0474] temple, which had been resplendent and magnificent, was turned by Vietnamese troops into an ammunition storehouse, and there have been no worshippers there for 11 years. Pailin, once a busy town, became a military camp of aggressor troops. The Division 330—Vietnamese crack troops—who had taken part in the war to liberate southern Vietnam, and captured Saigon, were stationed in Pailin after 1985 in a vain attempt to occupy it for ever. The city of gems was groaning with pain, was crying....

To liberate Pailin, the resistance forces against Vietnam made a well-conceived plan and adequate preparations. What was the key to the successful liberation of Pailin? A high-ranking commander of the National Army told us:



"We first cut off all supply lines leading to Pailin, making it an isolated city. Then we captured it by concentrating fire on it."

To encircle Pailin, the resistance forces had engaged the enemy troops around Pailin for two months from August last year. When we arrived at the outskirts of Pailin, what came into our view was a picture created by bitter battles: The village, which had been beautiful, lay in ruins; only several cement pillars were seen where any house had stood; there was nothing left of the coconut trees except the charcoal-like trunks; automobiles which had been turned over on the roadside were scraps of iron. The enemy troops had made their getaway, but their hidden bunkers, strong and sturdy, were still there. A deputy division commander of a certain division pointed to a broken house on the roadside, saying: "The battle was most fierce around there. Two enemy tanks pushed their way by shoving or bumping, dashing around madly. But they 'breathed their last' in the end and became our war trophies." The National Army captured hundreds of enemy strongholds along Highway No. 10 and around Pailin, tightly encircling Pailin.

Then the resistance forces stayed where they were, cutting off the enemy's reinforcements and waiting for an opportune moment to make a final attack. These tactics proved successful in capturing Pailin. A general who personally directed the battle for Pailin said excitedly: "Conditions were finally ripe for the final attack. We launched an overall attack on 12 October last year, advancing along three routes. All our batteries fired at once. Under the cover of the fire our troops waged a vigorous offensive, breaking all enemy resistance, and sending them out of their wits. The enemy troops were utterly routed. By 0600 on the 22d, Pailin had been liberated." Vietnamese Divisions No. 302 and 303 and Phnom Penh puppet Divisions No. 4 and 196, fled in confusion, leaving behind them hundreds of dead bodies and a lot of ammunition.

The liberation of Pailin represented the most brilliant victory scored by the resistance forces in capturing cities over the previous 11 years. In the flush of victory, the resistance forces rapidly drove into the interior liberating a stretch of territory. The battlefield in Cambodia underwent a great change.

The liberation of Pailin was a heavy blow to Vietnamese and puppet troops. They launched one savage counter-offensive after another, but they ended in failure.

A commander responsible for a war zone told us: "Defending Pailin is a very important task. We are planning to move the battlefield still further. Only when we are able to resist the enemy on the outer front, can we guarantee the safety of Pailin. At the same time, we should help the masses solve their economic problems." The plan for defending Pailin is being put into effect. Since the beginning of this year, the resistance forces have driven the Vietnamese and puppet troops to the

area beyond Troeung, and pressed on toward Battambang along Highway No. 10. They have also repeatedly destroyed the jin ma [6855 7456] Railroad and Highway No. 5 linking Pursat with Battambang, cutting off supply lines for enemy troops defending Battambang. On the battlefield to the north of Sisophon, three factions of the resistance forces have liberated a number of towns and villages with concerted effort. The victory achieved by the resistance forces on the western border effectively pinned down the enemy forces on the Battambang battlefield, creating favorable conditions for defending Pailin.

The aggressor troops hoped to regain Pailin and drew up a program of action. Beginning 23 February this year, some 3,000 Vietnamese troops and 2,000 Cambodian puppet troops launched a fierce counterattack on Pailin from the northern, eastern, and southern sides. The resistance forces were ready in full battle array and dealt the enemy troops hard blows. Acting on the plan to "resist the enemy on the outer front," the resistance forces had earlier deployed troops for battle in the area around Pailin and along Highway No. 10. It seemed they had got a big bag ready to trap the enemy troops. They met the attack calmly, cut off the enemy's route of retreat step by step, and then concentrated gunfire against the enemy's position. After five days of fierce battles, the resistance forces succeeded in repulsing the enemy's first counterattack. Not resigning themselves to being defeated, the Vietnamese commanders in Phnom Penh decided to dispatch reinforcements to the battle front, and ordered their troops to launch three major counterattacks on Pailin beginning 1 March; but finally it ended in a more disastrous failure. The Vietnamese and puppet troops not only failed to break through the defence lines of the resistance forces, but suffered heavy casualties, with about 3,000 soldiers killed. The resistance forces totally crushed the enemy's attempt to regain Pailin on 23 March. Currently, the resistance forces are pressing forward while consolidating the rear base. The battle is still in progress, but the heroic town of Pailin stands rock-firm.

## Near East & South Asia

### Pakistan People's Party Group Visit Continues

#### Jiang Notes Profound Friendship

OW0805062990 Beijing XINHUA Domestic Service  
in Chinese 1501 GMT 7 May 90

[Text] Beijing, 7 May (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, met with Nusrat Bhutto, chairwoman of the Pakistan People's Party (PPP), and the PPP delegation led by her in the Great Hall of the People tonight.

During the conversation, Jiang Zemin told the visitors that the late Pakistan Prime Minister Zulfikar Ali Bhutto and his widow, Begum Nusrat Bhutto, are respected old friends of the Chinese people and also close friends of the

Chinese leaders of the older generation. They visited China on many occasions and consolidated and developed Sino-Pakistan friendship.

Jiang Zemin said: Pakistan was among the earliest group of countries to recognize the PRC. The two countries have maintained friendly relations and cooperation over the past few decades.

Mrs. Bhutto thanked the CPC for inviting her and her delegation and for arranging a meeting with General Secretary Jiang Zemin. She said she and her delegation had very fruitful talks this morning with Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee. She said that Pakistan is grateful to China for its great support and assistance.

Following the meeting, General Secretary Jiang Zemin hosted a banquet in honor of the Pakistani visitors.

Addressing the banquet, Jiang Zemin said: A profound traditional friendship exists between the Chinese and Pakistani peoples. The Pakistani Government has made considerable headway in the course of national construction. Following a foreign policy of peace, independence, and nonalignment, Pakistan is playing an increasingly important role in world affairs. Sino-Pakistani friendship has set an example for friendship between countries with different social systems.

On the situation in South Asia, Jiang Zemin said: China has worked all along to develop good-neighborly, friendly, and cooperative relations with South Asian nations. We sincerely hope that the South Asian nations will handle and develop their relations on the basis of the five principles of peaceful coexistence. The dispute concerning Kashmir is a problem left over from the past. China hopes that both India and Pakistan will adopt a restrained approach in the spirit of the five principles of peaceful coexistence and solve the problem in a peaceful way through negotiation.

Referring to world situation and China's foreign policy, Jiang

Zemin said: The international situation is now undergoing tremendous changes with various forces in the world realigning and regrouping. Under the changing international situation, China will unswervingly adhere to its foreign policy of peace and independence and continue its friendly relations and cooperation with other Third World countries. China stands for the establishment of a new international political order and a new international economic order based on the five principles of peaceful coexistence. Given the concerted efforts of the people of the whole world, it is entirely possible to see a peaceful international environment for a relatively long period to come.

Mrs. Bhutto said: "For me, coming to China is like coming home. My family and I have had a long association of friendship with the great leaders of China's

revolution." She said: "Pakistan-China friendship has now become a model for relations between countries with different social systems." She was convinced that during the visit, the delegation would be able to further enhance the newly established cooperation between the PPP and the CPC.

Mrs. Bhutto said that China has made great progress under Mr. Deng Xiaoping's leadership; she said she is confident that under the dynamic new leadership China will achieve greater progress and prosperity.

She said: "As an old friend and admirer of China and of the Chinese people, I have followed with keen interest the great strides made by the Chinese people in the last 10 to 11 years for the development of their national economy and improvement of the socio-economic conditions of the masses under the program of the four modernizations."

Qiao Shi and responsible persons of the departments concerned of the CPC Central Committee and the State Council attended the meeting and banquet.

### Hold Talks With Qiao Shi

OW0705140090 Beijing XINHUA in English  
0815 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—Qiao Shi, member of the Political Bureau Standing Committee of the Communist Party of China (CPC) Central Committee, discussed bilateral relations and world issues with Begum Nusrat Bhutto, chairperson of the Pakistan People's Party (PPP), here this morning.

Mrs. Bhutto is heading a delegation from the Pakistan People's Party on a six-day visit.

During the more than two and a half hours of cordial talks, Qiao said China and Pakistan have enjoyed "very good" relations. Late Pakistan Prime Minister Zulfikar Ali Bhutto made outstanding contributions to developing Sino-Pakistani relations, he said, adding that it is the consistent policy of the Chinese Communist Party and the Chinese Government to constantly consolidate and develop the friendly relations and cooperation between the two countries.

"Sino-Pakistani friendship is not only in the fundamental interests of the two peoples, but is also conducive to peace and stability in Asia," Qiao said. "We are willing to make further efforts to consolidate and develop the friendly relations and cooperation between China and Pakistan together with Pakistani friends."

Noting that the CPC adheres to the principle of independence, full equality, mutual respect and non-interference in internal affairs in establishing and developing its relations with foreign political parties, Qiao said he was satisfied with the growth of friendly relations and cooperation between the CPC and the PPP.

Bhutto said she quite agreed with Qiao's remarks.

Noting that a stable domestic situation in every country and a stable international situation in general is "very important" to China and other Third World countries, Qiao said that without such stability it would be impossible for those countries to achieve economic development.

Qiao also briefed the Pakistani visitors on China's major achievements and some problems of the past 40 years since the founding of the People's Republic of China, particularly in the past decade when the reform and open policy was introduced. He also told the guests about how the Chinese Communist Party has strengthened its party construction.

Bhutto thanked the Chinese Communist Party for inviting her and her delegation to China and said that her last visit to China was in 1976 when she came with her husband Zulfikar Ali Bhutto. She said it left a deep impression, and she recalled that Mr. Bhutto was among the last foreign leaders received by the late Chairman Mao Zedong.

The PPP leader said her current visit would promote the growth of relations between the two parties and two countries.

Mrs. Bhutto is due to attend an official banquet hosted by Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, this evening in the Great Hall of the People.

#### **NPC Chairman Wan Li Continues Iran Visit**

##### **Meets Counterpart**

OW0705181090 Beijing XINHUA in English  
1439 GMT 7 May 90

[Text] Tehran, May 7 (XINHUA)—Wan Li, chairman of the Standing Committee of China's National People's Congress, met with his Iranian counterpart Hojjat ol-Eslam Mehdi Karrubi today. Both sides expressed their wish to develop the friendly relations between the two countries.

"China attaches great importance to its relations with Iran and to develop sustained and stable friendly relations with the Islamic Republic is our declared policy," Wan told his Iranian counterpart.

Wan, who arrived here Sunday, is the highest Chinese leader to visit Tehran after Iran's Islamic revolution toppled the monarch in 1979.

The 75-year-old Chinese leader expressed satisfaction at the steady development in the relations between the two countries, while praising top Iranian leaders for their contributions to the promotion of such relations.

Ayatollah Ali Khamenei, now Iran's supreme leader, visited China as president of Iran in 1989, and Hashemi

Rafsanjani, who had been Majlis speaker until August 1989 when he became the president, made a trip to Beijing in 1985.

"I am sure that my current visit to Iran would also contribute to the promotion of friendship and the expansion of cooperation between the two countries," Wan added.

Prior to Wan's Tehran tour, a parliamentary group was formed in each country to promote friendly relations between the two nations.

Wan noted that to maintain contacts between the two groups would be beneficial to closer ties between the two sides.

The Chinese leader plans to meet with the members of the Iranian parliamentary group during his three-day stay here.

The two leaders also discussed the Gulf and Middle East situations. But no details were available.

"The 50-minute meeting was proceeding in a cordial atmosphere," said one official close to the Chinese leader.

Before he came to Iran, Wan paid a four-day visit to Pakistan. He is scheduled to visit Iraq from Tehran later this week.

##### **Meets Foreign Minister**

OW0805061790 Beijing XINHUA in English  
2334 GMT 7 May 90

[Text] Tehran, May 7 (XINHUA)—Wan Li, chairman of the Standing Committee of China's National People's Congress (NPC), met here today with Iranian Foreign Minister 'Ali Akbar Velayati and discussed with him bilateral relations, regional and international issues of common concern.

The Chinese leader, the highest to visit Iran in the past 11 years, told Velayati that China values its ties with Iran and the prospect for closer relations between the two countries is bright.

The Iranian foreign minister said that the relations between the two countries have been good and both sides could honor their commitments. He did not elaborate.

He called Wan's current visit to Iran a "new turning point" in bilateral relations, expressing the wish for closer cooperation in various fields.

Velayati told the Chinese leader that Iran's Majlis has established friendly relations with parliaments of five countries and the Iran-China Parliamentary Friendship Group, formed prior to Wan's visit, is the second of its kind next only to that set up with Pakistani parliament.



Wan replied that a similar group has also been set up in China's National People's Congress to promote relations with the Iranian Majlis.

On the counter-revolutionary disturbances in Beijing last June, the Iranian foreign minister said that it was China's internal affairs and Iran was opposed to any foreign interference in it under the pretext of safeguarding human rights.

"Certain Western countries' interpretations of human rights have political implications," Velayati added.

He also informed the Chinese leader of Iran's decision to send sports teams to Beijing in September to participate in the 11th Asian Games. Wan welcomed the Iranian decision and wished them success.

An official accompanying Wan told reporters that the meeting proceeded in a frank, cordial and friendly atmosphere.

Following the meeting, the Chinese leader held talks with members of the Iran-China Parliamentary Group to discuss ways of expanding relations between the two countries.

Wan invited the group to visit China at a convenient time and the invitation was accepted by the Iranian parliamentarians.

A reception was given in honor of Wan by his Iranian counterpart Hojjat ol-Eslam Mehdi Karrubi here this evening.

Wan, who came here Sunday for a three-day visit, met with Karrubi here this morning. He is scheduled to meet with Iranian President Hashemi Rafsanjani Wednesday before he departs for Iraq.

He visited Pakistan before he came here.

#### **United Arab Emirates President Begins Visit**

*OW0705192190 Beijing XINHUA in English  
1539 GMT 7 May 90*

[Text] Beijing, May 7 (XINHUA)—Shaykh Zayid Bin-Sultan Al Nuhayyan, president of the United Arab Emirates (UAE), arrived in Beijing by special plane at midnight today to begin his five-day official and goodwill visit to China.

As guest of Chinese President Yang Shangkun, Zayid is the first UAE president as well as the first head of state from the six member states of the Gulf Cooperation Council to visit China.

President Zayid was greeted at the airport by Gao Dezhan, chairman of the Chinese Government reception committee and minister of forestry; Yang Fuchang, vice foreign minister; and others. Gao Dezhan extended a warm welcome to the president on behalf of Chinese President Yang Shangkun.

Also on hand were Ahmad Mahmoud Ghaith Al-Housani, charge d'affaires ad interim of the UAE Embassy in Beijing, and diplomatic envoys of Arab countries to China.

Among more than 100 UAE guests who are accompanying the president on the visit are Shaykh Muhammad Bin-Rashid Al-Maktum, minister of defence; Shaykh Sultan Bin-Zayid Al-Nuhayyan, director of the Abu Dhabi Public Works Board; Ahmed Khalifa Al-Suweidi, private representative of the president; Brig. Shaykh Muhammad Bin-Zayid Al-Nuhayyan, commander of Air Force and Air Defence Corps; Shaykh Ahmed Bin-Sa'id Al-Maktum, chairman of the Dubai Civil Aviation Board; Dr. Mani' Bin-Sa'id al-Utaybah, minister of petroleum and mineral resources; and Rashid 'Abdallah 'Ali al-Nu'aymi, minister of state for foreign affairs.

Before the president's arrival, Charge d'Affaires Al-Housani told XINHUA that the visit marks the steady development of relations between the two countries.

President Zayed's visit, he added, will have a good impact not only on the development of their relations, but also on the development of friendship between Arab countries and China.

#### **Ambassador to Egypt Views Mubarak's May Visit**

*OW0605130090 Beijing XINHUA in English  
1214 GMT 6 May 90*

["Mubarak's China Visit Will Promote Friendship, Cooperation: Chinese Ambassador" by Ding Wen and Jing Yaping—XINHUA headline]

[Text] Cairo, May 6 (XINHUA)—Egyptian President Husni Mubarak's forthcoming visit to China will surely "usher in a new phase of cooperation and friendship between China and Egypt," Chinese Ambassador to Cairo Zhan Shiliang said today.

In a statement to Egyptian and Chinese reporters, Zhan said Mubarak's visit is of great importance as it will "promote understanding, strengthen friendship and enlarge cooperation between the two countries."

Mubarak will pay a three-day official and goodwill visit to China starting from May 11. This is his fourth trip to China and a second one as Egyptian president. Chinese President Yang Shangkun made an official visit to Cairo last December.

"Egypt and China are important countries of the Third World. At a time when great changes are taking place in the world situation it is of great significance for the leaders of the two countries to exchange views and increase contacts," Zhan said. "This will help further enhance solidarity and cooperation among Third World countries and is also conducive to peace and development of the whole world."

Zhan said that the Chinese Government speaks highly of the strenuous efforts exerted by President Mubarak and

his country in pushing the Middle East peace process forward and his successful endeavors in promoting Arab solidarity and helping to strengthen friendly and cooperative relations among African countries.

"Recently, China has clearly stated its support for the proposal by President Mubarak and the Egyptian Government on making the Middle East free of mass destruction weapons and stated China's readiness to help materialize the proposal as soon as possible in coordination with Egypt in the United Nations and other world organizations," Zhan said.

#### **Cultural Week Opens in Egyptian Port City**

OW0805053390 Beijing XINHUA in English  
0040 GMT 8 May 90

[Text] Alexandria, Egypt, May 7 (XINHUA) — A Chinese Cultural Week opened here this evening on the eve of Egyptian President Husni Mubarak's forthcoming visit to the People's Republic of China.

The cultural week includes a photo exhibition depicting Chinese President Yang Shangkun's visits to Cairo and Alexandria at the end of last year, a Chinese arts and handicrafts exhibition and a film festival.

The cultural week was organized by the Chinese Consulate General here.

Mubarak's visit to China was scheduled for May 11-13.

#### **Indian Vice President Meets Central Bank Governor**

OW0505092590 Beijing XINHUA in English  
0535 GMT 5 May 90

[Text] New Delhi, May 4 (XINHUA)—Indian Vice President Shankar Dayal Sharma received Li Guixian, state councillor and governor of the People's Bank of China, this afternoon.

During the meeting, Sharma said that there are more and more exchanges recently between India and China. Chinese Foreign Minister Qian Qichen visited India one month ago and Indian Deputy Prime Minister Devi Lal just returned back from China. Such visits are conducive to the mutual understanding and friendship between the two countries.

He noted that there is a fraternity between the peoples of India and China. They should cooperate closely in various fields including bank business.

He said that India and China initiated the five principles of peaceful coexistence which are not only suitable for India and China, but also for the world as a whole.

Li Guixian conveyed Chinese leaders' greetings to the vice president and expressed gratitude for cordial reception accorded to him by the Indian host. He said it is very important for China and India to learn from each other.

Li arrived here on April 29 to attend the 23rd Annual Meeting of the Board of Governors of the Asian Development Bank. He will visit Bombay at the invitation of Indian Reserve Bank.

#### **Chen Junsheng Meets Syrian Peasants' Union Head**

OW0505083090 Beijing XINHUA in English  
0648 GMT 5 May 90

[Text] Beijing, May 5 (XINHUA)—State Councillor Chen Junsheng met here today with a delegation from the General Union of the Peasants of Syria, headed by Mustafa al-Ayid, president of the union.

The delegation arrived here April 26 on a visit to China.

### **Sub-Saharan Africa**

#### **Guinean Cultural Delegation Departs for Visit**

OW0705080890 Beijing XINHUA in English  
0028 GMT 7 May 90

[Text] Conakry, May 6 (XINHUA)—A Guinean cultural delegation headed by its Minister of Information, Culture and Tourism Herve Vincent Bangoura left here this evening for a five-day friendly visit to China.

The delegation is to exchange experience with its Chinese counterpart and strengthen cooperation between China and Guinea in the field of culture and information. It will also visit historical sites in Beijing.

After the visit, the minister will go to Cameroon to take part in the third session of the cultural ministers of the member states of the African Unity Organization scheduled for May 14-18.

### **West Europe**

#### **Shanghai's Zhu Rongji Meets British Financier**

OW0705121290 Shanghai City Service in Mandarin  
0900 GM 2 May 90

[Text] Mayor Zhu Rongji met noted British financier Sir James (Gere) Smith at Hengshan Guesthouse this morning. Mayor Zhu had a friendly conversation with the British guest on Shanghai's current situation of reform and opening to the outside world, on plans to develop eastern Shanghai, and on Sino-British cooperation in shipbuilding.

(Shen Zhu), deputy president of the Shanghai chapter of the Chinese People's Association for External Relations with Foreign Countries; (Shen Beizhang), director of the municipal committee for external relations and trade; and (Owen), British general consul to Shanghai, were present during the meeting.

During his stay in Shanghai, the British guest also visited the Jiangnan Shipyard and the Shanghai Museum, and toured Huangpu Jiang.

### Joint Venture Car Project With FRG Set

HK0705024690 Beijing CHINA DAILY in English  
7 May 90 p 2

[By staff reporter Zhang Yuan]

[Text] China and West Germany are establishing the country's largest automotive joint venture in Changchun in Jilin Province.

Partners are the First Automotive Works, the cradle of China's automobile industry, and the Volkswagen Company of West Germany.

"Business negotiations are going smoothly at the moment," said Geng Zhaojie, First Automotive Works' president.

With an estimated investment of 3.5 billion yuan (\$745 million), the joint venture is designed to produce 150,000 cars a year, Geng told CHINA DAILY in a recent interview.

The project has been approved by the State Council, China's highest government body.

After two years of preparations and negotiations, a final agreement is likely to be signed before July this year, Geng predicted.

Volkswagen already has two automotive projects in China: one is located in Shanghai producing Santana cars and the other is with the First Automotive Works which imported technology from Volkswagen to make the Audi-100 in Changchun, a luxury automobile.

"But this time, we have chosen another of Volkswagen's models— the Golf," Geng said.

"The Golf model is very popular internationally and suits China because it can be used as taxi cabs, office cars and, in the future, as private cars," he said.

According to First Automotive Works' plan, the joint venture will be able to reach its designed annual production capacity in 1996.

The ratio of locally-made components and spare parts for the Golf cars will develop faster than in other automotive joint ventures in China.

Three years after the venture is put into operation, at least 65 percent of the components and spare parts for the Golf will be Chinese made, Geng said.

"We have done a great deal to achieve this goal," he said.

First Automotive Works is the producer of China's "Red Flag" limousine for senior Chinese officials.

In recent years, co-operation with Volkswagen assembling the Audi-100s helped train workers for First Automotive Works' next step.

The Works has developed a new area neighbouring its old factory district.

The new area, called West District, occupies 323 hectares and is designed principally for the Golf car project.

Within the area, several major production lines have been completed, Geng said.

The casting production line, equipped with the latest technology and occupying 80,000 square metres, is the largest in China.

Its second motor engine factory, occupying 40,000 square metres, will use technology from the Chrysler Corp of the United States, Geng said.

The factory will produce annually 300,000 motors for the Audi-100 and light duty trucks.

### Sino-Portuguese Liaison Group To Meet

OW0705145690 Beijing XINHUA in English  
1232 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—The Sino-Portuguese Joint Liaison Group will convene its seventh session in Beijing from May 15 to 18. Both sides will continue in-depth consultations over the issues concerning the transitional period in Macao.

### Foreign Exchange Swap Centers Viewed

HK0705022290 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 7 May 90 p 1

[By Zhang Guanghua and Wang Xiangwei]

[Text] Which is China's most cautious institution?

Answers vary. But most business people would agree the State Administration of Exchange Control is one of them.

As the sole body managing the nation's precious hard currency, the administration seems justified in its wariness.

Its prudence is reflected in the development of China's foreign exchange swap centres.

Although the government OK'd foreign exchange transactions within prescribed limits in late 1980, China is still short of real financial instruments familiar to brokers in the Tokyo or Hong Kong foreign exchange markets.

"At present, our tools and methods for foreign exchange transactions are very primitive," said an administration official. "But we have to be careful and prudent about pushing development of foreign exchange swap centres because there is a lack of qualified personnel and corresponding laws."

BUSINESS WEEKLY was told that the administration would try to make the centres run better and draw up regulations on management of foreign exchange swap centres.

The official said that the administration will buy more modern electronic equipment to be installed in the centres and establish a national information network of foreign exchange swap centres across the country.

He said that the bidding system adopted by swap centres in a few coastal cities such as Shanghai and Xiamen would be systematically applied to other cities to further improve the systems for foreign exchange transactions.

BUSINESS WEEKLY learned that to date there exist 100 foreign exchange trading centres across the country with one in Tibet.

In 1989, \$8.57 billion passed through the foreign exchange swap centres, and foreign-funded enterprises traded \$1.57 billion through the centres.

Right now, two transactions are conducted at the foreign exchange trading centres.

At most of them, the individual buying or selling U.S. dollars must first register with the local administration of foreign exchange control to state his purposes and to quote prices. The local administration then assists the person in locating potential buyers or sellers.

Then, based on the average price traded the day before and the quoted price, the local administration (acting as a go-between) forwards a price to the individual and the potential buyer or seller. If both agree to the price, a deal is cut.

But the foreign exchange trading centres in Shanghai and Xiamen have another method of transaction called competitive bidding. The person selling or buying U.S. dollars must register with the local administration of foreign exchange control. Then the person hires a broker to do business in the centre. The brokers in such trading centres are from local banks and other financial institutions.

Four mornings a week, brokers bring their buy or sell orders to the centre which tallies them up.

When dollar supply exceeds demand, it lowers the price of a dollar by one fen, a hundredth of a yuan, every two minutes until some sellers withdraw or buyers enter.

When demand for dollars exceeds supply, the price is raised. The price is fixed when buy and sell offers balance, and all trades are made at the same price.

Although the administration said that it does not get directly involved in the specific transactions in the centres, it will step in if the trading prices fluctuate wildly.

Moreover, the buyers or sellers have to state their purposes to the administration which gives them a green light for entering the centres if their purposes are in line with government policies.

For instance, those who intend to buy U.S. dollars in the centres to import deluxe consumer goods would probably be rejected. The government discourages importing these wares.

Foreign exchange swap centres are the direct result of China's foreign trade reform and its loosening on once tight foreign exchange controls.

Until 1979, China had kept a tight rein on foreign exchange. All export earnings had to be turned over to central government coffers and the government would allocate U.S. dollars to enterprises for importing materials according to the government's plan.

As part of the package to reform its rigid Soviet-style foreign trade system, the government allowed export-oriented enterprises to retain a certain amount of hard currency for their own use so as to stimulate them to export more.

Then the need for foreign exchange swap centres became clear as some enterprises with hard currency on hand wanted to exchange it for renminbi yuan and some enterprises with bundles of local bills wanted hard currency for imports.

In October 1980, the government gave the go-ahead to the Bank of China to handle foreign exchange swaps among State-owned and collectively-owned enterprises.

At first, foreign-funded enterprises were not allowed to take part in such swaps.

At the end of 1985 the government sanctioned the first foreign exchange swap centre in Shenzhen, China's first special economic zone.

As part of the country's effort to spruce up its foreign investment climate, the government allowed foreign-funded enterprises to enter swap centres in October 1986.

At the outset, however, a foreign-funded enterprise was only permitted to strike deals with another foreign-funded enterprise.

In 1988, the government finally allowed foreign-funded enterprises to make swap deals with state-owned enterprises.

Then the State Administration of Exchange Control further liberated the exchange rates. Now the average exchange rates between the U.S. dollar and the RMB yuan are stabilized at \$1 to 5.5 to 6 yuan.

Both Chinese and foreign business people say that the exchange rates at the centres reflect the truer value of the RMB yuan than the official rate of the U.S. dollar at 4.71 yuan.

Last year, the government opened the nation's first foreign exchange centre in Shanghai for individuals on the Chinese mainland.



BUSINESS WEEKLY learned that to date, foreign currency deposits for individuals total \$2 billion across the country.

Most of the people who use the centre are foreign trade officials and people who have overseas relatives.

## East Europe

### Bulgaria Stresses No Ties With Dalai Lama

OW0605070190 Beijing XINHUA in English  
0545 GMT 6 May 90

[Text] Sofia, May 5 (XINHUA)—Bulgaria did not and does not have any intention of developing relations with Dalai Lama and acknowledges that Tibet is an integral part of China, a Bulgarian Foreign Ministry official has said.

According to an announcement in today's paper "OPINIONS" owned by the socialist party, director of fifth department of the Bulgarian Foreign Ministry Doncho Donchev said that Bulgarian has not changed its position on the Tibet issue.

It comes after a three-day visit last week by Alexander Berzin, an American professor and special envoy of Dalai Lama as guest of the Bulgarian Tibet study group.

Donchev, a former ambassador to China, said in the announcement that the government had given no authorisations for talks or invitations for Dalai Lama to visit Bulgaria.

Anyone involved in such activities, acted presumptuously without permit from the Foreign Ministry. Issues between the Chinese Government and Dalai Lama were China's internal affairs, the announcement said.

The Bulgarian Government held that any attempts or talks to invite Dalai Lama to visit Bulgaria would have political intentions which overstep the scope of academic studies by an individual person or a specific institute, it continued.

Such actions would harm Bulgaria's friendly relations with the People's Republic of China and hence run counter to her national benefit, the announcement added.

### Shanghai Television To Carry Polish Programs

OW0805084690 Beijing XINHUA in English  
0552 GMT 8 May 90

[Text] Shanghai, May 8 (XINHUA)—The Shanghai television station in cooperation with the city of Gdansk, Poland, will present Polish television programs next week to nearly 100 million viewers in Shanghai and Jiangsu, Zhejiang and Anhui Provinces.

The Polish television week will feature eight documentary films, including "Poland and the Second World War", "A selection of Chopin piano pieces," and a series on the conflict between Poland and Orussia in the 17th century.

This is just one of many exchanges between Shanghai and Gdansk since they established sister city ties in 1985.

## Latin America & Caribbean

### Fidel Castro Cited on Relations With Cuba

OW0505214090 Beijing XINHUA Domestic Service  
in Chinese 1329 GMT 27 Apr 90

[Text] Havana, 26 Apr (XINHUA)—Fidel Castro, president of the Council of Ministers of Cuba, said at the Chinese Embassy in Havana on 26 April that the relations between Cuba and China are firm and secure. He expressed satisfaction with the relations between Cuba and China.

Castro called at the Chinese Embassy in Cuba as a guest at the invitation of Ambassador Tang Yonggui. The conversation was conducted in a friendly and warm atmosphere.

Accompanying Castro to the Chinese Embassy as guests were (Lahe) [2139 6378—name as published], alternate member of the Politburo of the Communist Party of Cuba; Government Minister (Nalanhuosi) [4780 5695 7202 2448—name as received]; Minister of Basic Industry Portal, and Minister of Public Health Teja.

### Chen Junsheng Meets Colombian Minister

OW0805083590 Beijing XINHUA in English  
0729 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—State Councilor Chen Junsheng met here today with Gabriel Rosas Vega, minister of agriculture of Colombia, and his party.

The guests arrived here May 6 on a visit to China at the invitation of the Ministry of Agriculture of China.

## Political & Social

### Deng Xiaoping's New High Visibility Viewed

HK0805014990 Hong Kong SOUTH CHINA  
MORNING POST in English 8 May 90 p 11

[By Willy Wo-lap Lam]

[Text] Senior leader Mr Deng Xiaoping has personally intervened to expand China's open door policy and to foster a climate of reform and tolerance.

Chinese sources say that the patriarch has laid down the strategy for developing the Pudong Industrial Zone in Shanghai as well as for enticing more Taiwanese investment to Fujian province.

In the area of ideology and propaganda, Mr Deng has also urged the restitution of the liberal goal of "letting a hundred flowers bloom".

But Mr Deng's failure last week to meet President Mr Punsalmaagiyn Ochirbat, the first Mongolian leader to visit China in 28 years, has raised new speculation about the 85-year-old patriarch's physical and political health.

Mr Deng has not appeared in public since last February and last month there was intense speculation that he had been subjected to criticism by Mr Chen Yun, Chairman of the Central Advisory Commission, noted for his hard-line position on both economics and ideology.

However, Chinese sources in the capital said that Mr Deng, who retired from his last substantive position of Chairman of the Central Military Commission last November, is daily spending more time on affairs of state than he used to before June 4.

"Frustrated at China's relative isolation on the international stage, Mr Deng is determined to engineer a new wave of the open door policy," a political source said.

The strategy for developing Pudong, which will become China's "Special Economic Zone with socialist characteristics", was laid down by Mr Deng when he was in Shanghai during the Lunar New Year.

"It is not too late to get the Shanghai economy off the ground," Mr Deng reportedly told senior Shanghai officials. "Compared to Guangdong [province], the speed of economic development in Shanghai could be even faster".

Chinese sources said that Mr Deng personally approved the use of central Government funds for the development of Pudong, a stretch of predominantly agricultural land east of the city.

Mr Deng also spelled out the strategy for attracting investment from Taiwanese—as well as from overseas Chinese businessmen—while giving his personal stamp of approval for granting "super special" preferential treatment for Taiwan tycoon, Mr Wang Yung-ching.

After hearing that Mr Wang and his consortium of Taiwanese and Chinese-American businessmen would bring more than U.S.\$7 billion (HK\$54.6 billion) of investment to Fujian, Mr Deng said: "Give him [Mr. Wang] as many preferential conditions and as much free hand as he wants".

The patriarch has also committed central government funds to beefing up the infrastructure of Fujian, especially that of the Taiwan investment zones in the province.

In the arena of ideology and propaganda, Chinese sources said that in March and April, Mr Deng had given personal instructions to contain the excesses of the Campaign Against Bourgeois Liberalisation and to foster an atmosphere of relative openness and tolerance.

Mr Deng's views were reflected in a late April speech given by his protege, Mr Li Ruihuan, in which the Politburo member noted that Marxism must be interpreted in a practical way and that if propaganda officials stick to dogmatic indoctrination, "the people will run away".

In his speech marking the May Fourth festival, party boss Mr Jiang Zemin, Mr Deng's handpicked successor, revived the old Communist Party goal of "letting a hundred flowers bloom, a hundred schools of thought contend".

Analysts say that Mr Deng is aware of problems his new wave of reform and open door policy could cause, with likely opposition from members of the hardline faction.

According to the latest issue of THE MIRROR, a local China-watching journal, Mr Deng recently told Mr Jiang to promote unity among the leadership.

"To give good leadership means to be able to unite people," Mr Deng reportedly told Mr Jiang.

"It does not matter very much if a leadership team is relatively weak. The key is unity. It will render a weak team into a strong one."

Chinese sources said that the yardstick of unity was observed when Mr Deng chose a new corps of commanders and political commissars for China's seven military regions.

"The unity of the top few leaders is especially important," Mr Deng added. "We must not give others the opportunity to take advantage [of divisions in the leadership]."

The high-level reshuffle took place last week in the wake of a recent Central Military Commission meeting which Mr Deng reportedly attended in the capacity of senior adviser.

**CYL Asks Youths To Study Jiang Zemin Speech***OW0705121690 Beijing XINHUA Domestic Service  
in Chinese 1127 GMT 7 May 90*

[Text] Beijing, 6 May (XINHUA)—The Central Committee of the Communist Youth League [CYL] recently issued a circular asking CYL organizations at all levels to regard the study and implementation of the guidelines of Comrade Jiang Zemin's speech at the May 4th report meeting as a major task for the whole league, and carry it out in a concrete way.

The circular says: CYL organizations at all levels should organize their members and nonmember youths to study Comrade Jiang Zemin's speech with a clear objective in mind, focusing particularly on the connotation, characteristics, and content of patriotism in China's current stage; on the way our patriotic traditions can be carried forward under new historical conditions; on the place, role, and mission of Chinese intellectuals in China's modernization; on the path of the growth of Chinese intellectuals, particularly the young intellectuals; and on the way they could help the party and government carry out work on young intellectuals. CYL members and nonmember youths should, through study, firmly acquire political faith in following the party and taking the socialist road; a sense of pride in ardently loving the socialist motherland and safeguarding its unification; a sense of social responsibility to make stability a top priority above everything else and to work tirelessly for China's revitalization; a sense of respect for knowledge and talents; and a belief that the only way for young intellectuals to fulfill their aspirations to dedicate themselves to the country is to integrate themselves with the workers and peasants and to keep in close touch with them through practice.

The circular says: CYL organizations at all levels should persistently educate youths in patriotism, and inspire and unite them closely around the party. They should guide the youths to use the opportunity of the commemoration of the 150th anniversary of the Opium War to study China's modern history and to carry forward the fine patriotic traditions of our nation under new historical conditions. They should guide youths to study the new mental attitude of our young intellectuals since the May 4th Movement and to make shine in the new era Chinese intellectuals' fine traditions of loving the motherland, being loyal to the people, being brave in practice, integrating themselves with workers and peasants, seeking truth, advancing in a pioneering spirit, waging arduous struggle, and dedicating themselves selflessly to the cause. They should guide youths to learn from the advanced deeds of Lei Feng and other heroes and models, making the Lei Feng spirit reappear in the youths of the nineties. They should guide youths to learn from the brilliant moral characters of workers and peasants and absorb nourishment from the practice of the masses in making history.

The circular asks CYL organizations at all levels to display a greater sense of responsibility toward the future

and destiny of the party and state, and carry out the work of young intellectuals as an important task for the whole league. They are asked to actively help the party and government seriously implement policy toward intellectuals, and successfully carry out work directed at young intellectuals. Leading CYL cadres at all levels are asked to constantly immerse themselves among young intellectuals, have heart-to-heart talks with them, become their friends, and listen carefully to their proposals on rationalization, and serve as a bridge between young intellectuals and the party and government.

The circular calls on the vast numbers of youths and young intellectuals to carry forward and develop the patriotic traditions of the May 4th Movement; recognize clearly their historical mission; and in their respective posts, study and create, dedicate themselves to the cause, become useful persons, and make significant, historic contributions worthy of the times and the people's expectations.

**Li Ruihuan Conducts Inspection in Shaanxi***OW0605123890 Beijing XINHUA Domestic Service  
in Chinese 0632 GMT 23 Apr 90*

[Text] Xian, 23 Apr (XINHUA)—Li Ruihuan, member of the Political Bureau Standing Committee and of the Secretariat of the CPC Central Committee, recently conducted an inspection tour of Shaanxi. During his tour, he pointed out: To protect the valuable cultural relics left over by the forefathers of the Chinese nation is a historically bound responsibility of the people of all nationalities throughout the country. Cultural relics destroyed cannot be replaced. If valuable cultural relics are destroyed during our generation, we would have done a disservice to our forefathers as well as to our offspring, and committed an irredeemable historical error.

Accompanied by Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, Li Ruihuan visited museums and cultural relic excavation sites in Xian, Xianyang, Baoji, Weinan, Yanan and other localities between 12 and 21 April. After hearing a work report from the provincial party committee on 19 April, he hailed the achievements made in Shaanxi in developing the two types of civilization, and in implementing the reform and open policy, and delivered an important speech on strengthening work in preserving cultural relics.

Li Ruihuan said: The preservation and utilization of cultural relics is an important work in propagating the splendid culture of the Chinese nation. We have achieved gratifying results in this connection in recent years. At the same time, we must also recognize that many problems remain. Some valuable cultural relics are not stored well, and the problems concerning the smuggling, pilfering, and destruction of cultural relics remain serious. On the other hand, some cultural relics that should be saved are not. In this regard, we are faced with issues of funds and storage techniques, but the main



issue concerns one's awareness and sense of responsibility. This issue depends on whether or not we do our work well. Even if some cases involve issues of funds and techniques, they are connected with the issue of awareness. The state, the various localities, the staff members in charge of relics, and the entire society are responsible for the preserving and utilizing cultural relics. All of us should display a strong sense of responsibility. We must fulfill our responsibility. Under no circumstances should we try to "reap some profit from cultural relics."

On the relations between the preservation and utilization of cultural relics, Li Ruihuan said: Our consistent stand is to strengthen our efforts in preserving cultural relics, and utilize them with a scientific approach. The preservation of cultural relics should be given top priority. Preservation is the prerequisite of utilization; without preservation, utilization is out of the question. Even in the course of utilizing cultural relics, we must pay attention to preserving them. Naturally, cultural relics must be scientifically utilized. To a certain extent, utilization is the final goal of preservation. Without scientific utilization, we are unable to preserve some of the cultural relics, such as buildings on the ground. As for underground cultural relics, we must resolutely oppose any blind excavation without any condition or proof. However, we must actively support any planned excavation with the paper support and with scientific proof. Arguments in the academic field on certain historical characters or events are quite normal, but they should in no way affect the preservation and utilization of cultural relics.

Li Ruihuan pointed out: Shaanxi is full of a rich ancient cultural legacy, under and above the ground. As China's old revolutionary base, Shaanxi also is full of valuable revolutionary relics. "There are many important civilian and military posts along the 800-li Qin River, while the famous city [Xian] has a 5,000-year history." This is the glory and pride of the people in Shaanxi, as well as a major superior region in Shaanxi Province. At the same time, it imposes an especially important responsibility on the people in Shaanxi for the preservation of cultural relics. It is hoped that the party and government organizations at various levels and the broad masses of people

in Shaanxi will do a good job in bearing this responsibility, and provide good examples for the whole country.

During his inspection tour of Shaanxi, Li Ruihuan also visited factories, rural areas, and scientific research units in Xian and Yanan and held discussion meetings with basic-level cadres on how to bring into full play the Yanan spirit, and strengthen ideological and political work.

### TANGTAI Reviews Party's Security Strength

HK0705081690 Hong Kong TANGTAI in Chinese  
No 21, 21 Apr 90 pp 8-9

[Article by Ho Bo-Shi (0149 0130 2457) in Beijing: "Do You Know How Many Policemen There Are in China?"]

[Text] The public security system, state security system, judicial system, reform-through-labor [lao gai xi tong 0525 2395 4762 4827] system, and the army have been the CPC's means of exercising dictatorship. Since a number of sensitive days, such as the 14th anniversary of the "5 April" Movement; anniversary of Hu Yaobang's death; anniversary of the RENMIN RIBAO's "26 April" editorial, which incurred great popular indignation; anniversary of the May 4th Movement; and the anniversary of the "4 June" incident, with one right after another following 1 April, the CPC is paying great attention to the social situation, and the organs of dictatorship are awaiting orders. In the period from now until the end of the Asian Games in October, the CPC will not relax its vigilance for fear that students will seize the opportunity to carry out anti-government activities. The public security system, state security system, and army have been put on alert. How many people work under the CPC's organs of dictatorship (excluding the army)? We can get a hint from the latest information (see the table below) this magazine obtained recently. From this information, we can call China a "police country." The human resources the CPC has devoted to preventing the people from making trouble are surprising.

### Sizes of Organs of Dictatorship Under China's Local Governments

Provinces, cities, and regions	Govt. staff*	Members of PC*	EC*	FERT*	PS*	SS*	RI*	JD*
Beijing	18,288	123	151	45	6,520	4,334	408	237
Tianjin	17,940	214	240	148	5,452	1,681		481
Shanghai	21,972	144	253	258	4,484	2,111		484
Hebei	6,255	319	19	165	620			351
Shanxi	6,683	152	211	161	555	24		128
Nei Mongol	6,651	115	161	90	586	389	164	103
Liaoning	6,465	314	34	66	469	259	233	107
Jilin	6,143	303	45	103	479	392	134	170
Heilongjiang	7,104	295	36	161	549	355	197	161
Jiangsu	5,456	232	38	170	405	535	137	141
Zhejiang	5,586	304	45	168	574	633	163	118

Anhui	5,691	151	136	144	570		157	149
Fujian	5,733	171	194	97	539	501	116	131
Jiangxi	5,961	140	23	196	565		157	282
Shandong	5,927	159	159	44	531	348	214	143
Henan	7,326	439		178	716		190	198
Hubei	5,920	198	138	156	731		258	92
Hunan	6,193	124	127	97	594		193	376
Guangdong	10,118	138	185	315	1,344	2,245		333
Guangxi	6,329	125	154	178	495	332	185	125
Sichuan	8,749	433	64	170	893		512	146
Guizhou	5,303	129	176	111	691		185	104
Yunnan	5,953	165	169	117	536	518	182	110
Tibet	2,601	301		34	326			56
Shaanxi	6,576	159	161	141	620		206	118
Gansu	4,766	152	191	141	477		106	107
Qinghai	3,550	103	168	25	419		57	307
Ningxia	3,144	107	105	66	334		57	65
Xinjiang	6,495	217	162	121	681		330	203

\*Govt.=government; PC=Planning commission; EC=Economic commission; FERT=Foreign economic relations and trade; PS=Public security; SS=State Security; RL=Reform-through-labor; JD=Judicial.

According to the data, we can see the magnitude of the networks under the public security departments, state security departments, and reform-through-labor departments in various provinces, regions, and cities throughout the country. For the sake of comparison, we also list the establishments for various local governments and for some of the key economic departments. By comparison, we can tell how enormous the CPC's network of dictatorship is? There are two points which we would like to explain regarding the figures: First, these figures only show the authorized size of organs at the provincial level, that is, the figures do not include organs below the provincial level; second, the figures showing employees working under the public security and state security systems only include cadres rather than personnel who carry out tasks, such as policemen on duty, the operation group under the state security system, and those who take care of the reform-through-labor farms, let alone armed police. The figure would be more appalling if they were included.

Take Beijing for example. Employees under the public security bureau number 6,520, those under the state security 4,334, and those under the reform-through-labor bureau 408, adding up to 11,262, actually accounting for 61.6 percent of total employees for various departments under the Beijing government. These three organs of dictatorship are also the departments in the Beijing municipal government employing the most workers, who are several times more than those on the staff of productive departments and service departments (for instance, there are only 299 workers for the financial

bureau, 245 for the housing bureau, and 237 for the machine-building industry bureau). If we compare their sizes with those of key departments such as the planning commission (123 workers), economic commission (151), and foreign economic relations and trade commission (45), the former look like elephants, while the latter small rats.

Aside from Beijing, the sizes of organs of dictatorship in Tianjin and Shanghai rank second and third among their counterparts across the country. Since they have a large population and are also national political and economic centers, the three cities have extraordinarily massive public security and state security systems, with their employees constituting over 30 percent of the staff of respective governments. Guangdong ranks fourth on the list. Though its security organs do not employ as many workers, the total cadres account for about 35 percent of the government's staff.

The situation in other provinces and municipalities is almost the same. The human resources of these three major systems, that is, public security, state security, and reform-through-labor departments, make up more than 25 percent of the government's staff, a size incomparable with other departments.

If we look at the form horizontally, we will find that in the 29 provinces, municipalities, and autonomous regions (Hainan and Taiwan excluded), the public security and state security organs invariably rank first and second among other departments in size. The cadres of these three major systems total at least 50,000, accounting for 24 percent of government employees throughout the country, as compared with 13,000 cadres

working for planning commissions, economic commissions, and foreign economic relations and trade commissions nation-wide, the latter only constituting six percent of the government staff. You can imagine what the country is like since those who take care of production are much fewer than those who watch out for citizens.

The figures in the form show how many people the CPC employs to set up their organs of dictatorship, which they use to suppress the people. The money they have spent in this respect is incalculable. According to an informed source, apart from the People's Liberation Army and the Commission of Science, Technology, and Industry for National Defense, the State Security Ministry is the most advanced unit in terms of technology. Why do they not spend the human, material, and financial resources on production and construction?

### Education in Party Political Discipline Stressed

HK0805090390 Beijing JIEFANGJUN BAO in Chinese  
19 Apr 90 p 3

[Article by Shi Yingfu (2457 4134 1381) and Zhang Chun (1728 2504): "Strengthen Education in Political Discipline"]

[Text] The CPC Central Committee and Central Military Commission have stressed once and again that it is necessary to pay close attention to the party's education with respect to political discipline. In this new historical period the basic contents and requirements of the party's education in party discipline are to: Safeguard and uphold the four cardinal principles; oppose bourgeois liberalization; resolutely implement the lines, policies, and principles since the Third Plenary Session of the 11th CPC Central Committee; resolutely maintain a peaceful and united political situation; and to maintain a high degree of accord with the CPC Central Committee ideologically, politically, and through actions. Therefore, education in political discipline is basically to ensure that party members are forever qualified politically. To be more concrete, it is necessary to solve three problems when we carry out education in political discipline:

First, it is necessary to clarify the political faith. In other words, we must help strengthen the faith of communist members in communism. Facts attest that although most communist members have joined party organizations filled with communist ideals, they give totally different answers to whether or not they will resolutely defend communist ideals and strive for them once they are communist members. There are some who never waver in their faith in the face of dangers. However, many waver in their faith and defect. The former often have a relatively deep basis of Marxist theories and their ideals are rooted in the soil of science; they will only become stronger when attacked by storms or rain. The latter often lack the basis of Marxist theories, like shaky buildings built on sand. This tells us that to have a firm communist faith we must study basic Marxist theories. Only through studying basic theories, knowing the history of the development of communist movements,

seeing the bright future of socialism and the good prospects for communism, and strengthening our ideological foundation for further upholding the four cardinal principles, can we have a tenacious faith in communism.

Second, it is necessary to clarify our political position. In other words, we must demand that communist members always hang on to the principles of the party spirit and always take a position in favor of the party spirit and the party's policies. To observe party political discipline and maintain solidarity and unity within the party, is the party's highest interest. Only when every communist member strictly observes party political discipline can high political accord be maintained in the party, the party survive and develop under complicated struggles, and can it successfully accomplish its tasks in all historical periods. It is, of course, impossible to completely strengthen a political stand by two lessons on political discipline. The changes and development in the international and domestic struggles will put new demands on the communist as to his political position. The clear-cut position of a communist today is to consciously oppose the "peaceful evolution" plot by international capitalism; resist the influence of the ideas of bourgeois liberalization; resolutely implement the lines, policies and principles made since the Third Plenary Session of the 11th CPC Central Committee; and stick to the socialist orientation of reform and opening up.

Third, it is necessary to clarify our political performance. In other words, the communist must consciously standardize his speech and actions with party political discipline. Some comrades have not paid much attention to political discipline in normal times and have always thought that they will not have any problems politically. Under normal circumstances, perhaps they will not have any problems, but when encountering complicated struggles, or at crucial moments, some often cannot stand the test. During last year's political turmoil, some communists were influenced by bourgeois liberalization and others even joined in the turmoil. Serious lessons have taught us that if we lack the concept of political discipline in normal times, we will lose our direction, or get lost, in critical moments. Therefore, party organizations must resolutely include political discipline in the education of communist members, continually repeat it in keeping with the demands of the situation and tasks, and gradually help communist members to improve their political consciousness. When critical moments come, party organizations must take into account the actual situation of struggles, put clearer and concrete demands on communist members, and carry out ideological work thoroughly and carefully. They must seriously investigate and handle those acts in serious violation of party political discipline. Only by so doing can we ensure that communist members always maintain accord with the CPC Central Committee ideologically, politically, and in their actions.



### Beijing University Students Join CPC

OW0805105990 Beijing XINHUA in English  
0152 GMT 8 May 90

[Text] Shijiazhuang, May 8 (XINHUA)—Twelve freshmen from Beijing University joined the Communist Party of China (CPC) at the Shijiazhuang Military Academy Friday after more than six months' military and political training.

The 12 are among 700 Beijing University freshmen who are now receiving a year's military and political training at the academy, located in this capital of north China's Hebei Province.

According to Lieutenant-Colonel Zhao Shuanglan, their instructor, 191 other Beijing University freshmen who are also receiving training at the academy have applied to join the party.

### Minority Nationality Cadres Urged To Work Well

HK0805073490 Beijing RENMIN RIBAO in Chinese  
4 May 90 p 5

[Article by Mao Gongning (3029 0361 1337): "See One's Responsibility Clearly, Do One's Job Well"]

[Text] In a multi-national country like China, cadres of minority nationalities play a very important role in maintaining stability of the state, promoting national unity and progress and properly handling the relations among various nationalities.

Cadres of minority nationalities have a dual status. They are on the one hand cadres of the party and state who are duty-bound to safeguard the interests of the state and on the other, are representatives of their nationalities who should represent the interests of their nationalities. For this reason, they should correctly handle the relations between the interests of the state and those of their nationalities.

Under the system of socialism, the overall and long-term interests of the state coincide, in the essential aspect, with those of all our nationalities. This is because the overall interests of the state embody the interests of all our nationalities. Nevertheless, because of uneven social and economic development of all nationalities, in a certain given historical period, some contradictions between the overall interests of the state and the partial interests of all nationalities may emerge on some practical problems. In order to promote a common development of all our nationalities, the state has formulated some special policies for the minorities who have comparatively lagged behind other nationalities and given them some special treatments in an effort to help them develop their politics, economy and culture and enable them to gradually catch up with the relatively developed areas. This means that apart from common interests, all minority nationalities also have some special interests. The relations between the two kinds of interests are dialectically unified and both can be implemented

without conflict. Only when the overall and long-term interests of the state are held to and safeguarded will the national interests be guaranteed. Similarly, only by taking the special interests of minority nationalities into account, will the superiority of the socialist policies on nationalities be given full play, will the cohesiveness of all nationalities be increased, and will a more solid foundation be laid for the overall and long-term interests of the state. So cadres of minority nationalities should adhere to the principle of being responsible for both the party and state and for the people of their nationalities. They should not only safeguard the overall and long-term interests of the state and also embody the interests of their nationalities. Meanwhile, they should be bold enough to report the reasonable interests of their nationalities to the higher leading organs and should strive for and realize all legitimate rights and interests of the people of their nationalities. When the partial interests of their nationalities conflict with the overall interests of the state, they should make full allowances for difficulties of the state and persuade the people of their nationalities to subordinate their partial interests to the overall interests of the state. Provided the overall interests are safeguarded, the interests of their nationalities are, fundamentally speaking, safeguarded. Only by correctly combining these interests with each other, will cadres of minority nationalities be able to justify the great trust placed on them by the state and their nationalities and to give fuller play to their role in exercising regional national autonomy and participating in the administration of state affairs.

It must be pointed out that when handling the relations between the interests of the state and those of different nationalities, cadres of minority nationalities should learn how to analyse and approach problems with the Marxist views on nationalities, place the interests of the state above everything else and strive to be models of combining the two kinds of interests with each other. Meanwhile, it must be seen that some interests of minority nationalities can be now realized through efforts and more can only be achieved in an orderly way and step by step after socialist democracy is steadily improved and the productive forces are continuously expanded. On this question, cadres of minority nationalities should maintain sharp vigilance against those with ulterior motives who create contradictions and riots among different nationalities, carry out splittist activities and disrupt stability and unity under the pretext of protecting the interests of nationalities. Cadres of minority nationalities should take the interests of the whole into account, see clearly their responsibility and do their work well.

### XINHUA Features Russian Minority Nationality

OW0805053590 Beijing XINHUA in English  
0106 GMT 8 May 90

[Part 17 of the XINHUA series of articles: "Russian Nationality"]

[Text] Beijing, May 8 (XINHUA)—China's Russian minority nationality has a population of about 3,000 people. They are scattered over the Xinjiang Uygur and Inner Mongolia Autonomous regions, and Heilongjiang Province in northern China.

They migrated to China from Russia, starting in the late 18th century. Most of them believe in the Eastern Orthodox Church. They have their own language.

Most of the Russian people living in urban areas are engaged in repairs and handicrafts. Those in the countryside mainly go in for agriculture and animal husbandry. They are experts at gardening and bee-raising.

The lifestyle and customs of the Russian people in China are similar to those of the Russians in the Soviet Union. They are open and optimistic. They often help each other. On holidays or other festive occasions, they sing and dance together.

#### **Joint Circular Issued on Children's Day**

OW0705192890 Beijing XINHUA in English  
1511 GMT 7 May 90

[Text] Beijing, May 7 (XINHUA)—Twenty-two organizations including the All-China Women's Federation, the State Education Commission and the Central Committee of the Chinese Communist Youth League issued recently a joint circular on the celebration of the coming International Children's Day, June 1.

The circular calls on departments concerned throughout the country to pay attention to making the celebration activities rich, varied, lively and educational.

The circular says priority should be given to Communist ideological and moral education so as to have the children love the motherland, the people, physical labour, science and socialism.

Meanwhile, the circular says, local governments and organizations should take the opportunity to do something beneficial for the children so as to provide them with better health care, family, school and social education, and welfare facilities.

The circular proposes that various cultural, sports and recreation units, as well as bookstores and commercial and service trade units provide children with free or preferential services.

#### **Comparison of Jiang Speech on May 4th Movement**

HK0405114090

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese on 4 May carries on pages 1 and 4 the speech by Jiang Zemin at a report meeting held by youth in the capital to commemorate the May 4th Movement which is entitled "Patriotism and the Mission of the Chinese Intellectuals." This text has been compared with the referent XINHUA domestic Chinese version published

in the 4 May China DAILY REPORT, pages 8-13, and found to be identical except for the following variations:

Page 8, column one, paragraph one, only sentence reads: Comrades and friends: (dropping dateline)

Page 10, column one, last partial paragraph, first sentence reads: We are also confronted with the mission of building socialist spiritual civilization. As the important inheritors and disseminators of mankind's scientific and cultural knowledge, the important explorers of advanced science and technology, and important creators of spiritual products, intellectuals are the mainstay in building spiritual civilization. (changing wording)

Page 10, column two, paragraph three, first sentence reads: In short, during the course of modernization, reform, and opening up, we have come to realize even more profoundly that, compared with all periods in the past, Chinese people have never had such extensive and pressing demands on their own intellectuals as they have today. (changing wording)

Page 12, column two, last partial paragraph, second sentence reads: This is an important expression of the class struggle existing in certain spheres under socialism. (changing wording)

#### **Comparison of Editorial on May 4th**

HK0705071990

Beijing RENMIN RIBAO in Chinese on 4 May carries in the bottom right corners of pages 1 and 3, a 1,300-character editorial, entitled "Carry Forward Fine Tradition. Dedicate Youth to China—Commemorating the 71st Anniversary of the May 4th Movement." This text has been compared with the referent RENMIN RIBAO OVERSEAS EDITION version published in the 4 May China DAILY REPORT, pages 14-15, and found to be identical except for the following variations:

Page 14, column one, paragraph two, sentence two reads: On the occasion of the Youth Day, we extend holiday greetings to our young friends of all nationalities who are fighting on all fronts and at their posts for modernization construction! (changing wording)

Page 14, column two, paragraph one, first sentence reads: Patriotism is a banner with the greatest cohesive power and the richest spiritual substance of the May 4th movement. Today, it is still a tremendous spiritual strength that unites and encourages the people of all nationalities in our country, including the young people, to struggle hard and to forge ahead bravely. (adding words)

## Science & Technology

### Experts Consulted on Scientific Development

OW0505124890 Beijing XINHUA in English  
1157 GMT 5 May 90

[Text] Beijing, May 5 (XINHUA)—The State Planning Commission has asked 323 members of the Chinese Academy of Sciences (CAS) to evaluate the key scientific and technological projects in the next national five-year plan in a bid to make government decision making more scientific, according to Sheng Shuren, vice-minister of the commission.

Sheng made the remarks here on Friday while discussing the tasks and guidelines for China's scientific and economic development in the Eighth Five-Year Plan (1991-95) at the Third General Assembly of CAS's Biological Division.

This is the first time the government has asked scientists to consult on major issues in national economic development, although scientists have been consulted in the past on similar issues of a smaller scale.

The scientists pledged contributions to these tasks and praised the government for its respect for knowledge and talent and for its efforts at scientific and democratic decision making.

The key scientific and technological projects in the next five-year plan, Sheng said, are based on the guiding principle of promoting economic development, the modernization of traditional manufacturing technologies and equipment and creating a highly rational industrial structure.

Support must be given to establishing and developing high technologies and high-tech industries, Sheng stressed.

He said joint efforts must be made in tackling key issues concerning the country's overall economic development.

Related capital construction, technological updating, technology import and international cooperation will be jointly studied by the various departments involved to fully utilize the materials available and avoid wasting capital and other resources.

While upholding the principle of self-reliance, Sheng said, China also expects to absorb advanced foreign technologies and to boost its independent design and development capabilities in order to achieve the plan.

He noted that specific tasks in the plan will be assigned through competitive bidding and evaluation by experts in order to allocate resources efficiently.

In addition to consultation prior to drafting plans for the projects, Sheng said, scientists will also be asked to conduct a mid-term evaluation in 1993 and a post plan evaluation in 1996.

The aim is to avoid major mistakes and omissions and fully utilize the talents of CAS members in consultation and supervision, he added.

He also pledged to keep the doors constantly open to scientists and their suggestions, saying that the State Planning Commission will create a better system and provide various services for scientists in their work.

## Military

### National Defense Construction Options Viewed

HK0805021190 Beijing JIEFANGJUN BAO in Chinese  
13 Apr 90 p 3

[Article by Fang Min (2455 2404): "Establish the Concept of 'National Defense in a Broader Sense'"]

[Text] In a given time, it is of crucial importance to consider where the emphasis of frontier defense construction should be laid and what kind of frontier defense concept should be established. In some people's opinion, frontier defense construction should focus on maritime defense, "because the present-day world has entered the age of rivalry for maritime rights and interests." Others say that military forces for land defense should be emphasized because the threat on the land frontier is serious. Still others put it this way: "In terms of actual threat or viewed from strategic value, both maritime and land defense are equally important." "Therefore maritime and land defense concepts should receive equal stress."

The above views are logical, but I personally believe there are some shortcomings, too. For example, maritime and land defense are equally important and therefore concepts concerning these two should receive equal stress. What about "air defense?" On 2 February, JIEFANGJUN BAO published an article by Dong Wenxian pointing out: "In total war or local armed clashes today, the role of air battles is obviously increasing. We should not overlook this point when probing the problems of military building and operations in the new age." Proceeding from the concept that an "air battle is a decisive battle," Dong Wenxian pointed out that Germany's victory at the beginning of World War II lay in the "development of an air force stronger than any other countries"; its failure to resist landing operations in Normandy and its final collapse in this region were due to the "shift of air domination to the British-U.S. allies." Subsequently, he referred to some local wars that have broken out recently. He said that "these wars have more convincingly suggested that air domination is a decisive basis for victory in battle." Evidently, "laying equal stress on maritime and land defense" is, at least, not acceptable to comrades who take serious account of "air defense." In such cases, should we propose "laying equal stress on land, maritime, and air defense?" Even if we propose this, some people might ask: "What about space defense?" All these are one-sided in nature.



True, "laying equal stress on maritime and land defense" is better than stressing one aspect. But viewed from the angle of defense construction, it will not do "just to treat the symptoms and not the disease" or to stress one aspect to the neglect of others. We should take systematic ideas as our guidelines and establish the concept of "national defense in a broader sense." While giving overall consideration, we should proceed with our defense construction according to our ability.

### PLA Calls for Developing Agriculture

HK0805024990 Beijing JIEFANGJUN BAO in Chinese  
13 Apr 90 p 1

[Report: "Military Forum States That Developing Agricultural and Sideline Production Is a Long-Term Policy of the Army"]

[Text] Fuzhou, 12 April (JIEFANGJUN BAO)—Developing agricultural and sideline production is a long-term policy of the Army, and effective measures should be taken to push the work to a new stage. A whole-army forum on production and life management of basic units of the Army, which concluded on 12 April, made this guiding ideology clear. Chief of General Staff Chi Haotian and General Logistics Department Director Zhao Nanqi gave a respective speech at the meeting.

During the meeting, directors of logistics departments at different levels first inspected a grass-roots unit of the Nanjing Military Region stationed in Fujian and listened to its successful experience in the management of production and life. In the light of the important instructions by Central Military Commission Chairman Jiang Zemin and its First Vice Chairman Yang Shangkun on boosting agricultural and sideline production in the Army, they have further understood that the development of agricultural and sideline production in the Army is decided by the nature of the People's Army. Doing so with persistence helps to lighten the burden of the state and people; assists the improvement of the living standards of troops; helps to implement the "Program for the Building of Grass-Roots Armed Units" to strengthen the building of Army units in an all-around way and to raise the fighting capacity of our Army; and contributes to carrying on revolutionary traditions in the Army, keeping up the political, true qualities of the proletarian Army and strengthening the flesh and blood relations with the masses of the people. They all pointed out: Developing agricultural and sideline production in the Army is the way of making the Army strong and meets the needs of maintaining an Army, so this should be taken as a long-term policy to adhere to with unremitting efforts.

Comrades participating in the meeting also further discussed how to push agricultural and sideline production in the Army to a new state and future development plans. Zhao Nanqi pointed out in his speech: "To push agricultural and sideline production in the Army to a new stage is entirely possible. The reasons are: 1) We are guided by the correct policy of the Central Military

Commission. 2) After several generations of pioneering and hard efforts, agricultural and sideline production in the Army has had a certain scope and basis. 3) There is still massive potential in developing agricultural and sideline production in the Army. 4) The officers and men of our Army have the Nanniwan fine tradition of working hard and having valuable enthusiasm. 5) We enjoy warm support from local governments and people."

Zhao Nanqi continued: The general guiding ideology for pushing agricultural and sideline production to a new stage in the Army should follow the following principles: The whole Army should get to work, long-term plans for the development should be worked out, the development should be carried out in a comprehensive way and with guidance to different types of areas; intensive farming should be encouraged and potential should be tapped; economic results should be improved by relying on science and technology; and services should be aimed at the grass-roots armed units. Concretely speaking, the first point is to develop agriculture by means of science and technology. Comrade Deng Xiaoping points out: Science and technology are the first productive forces. From now on the main direction of the work should be aimed at raising the scientific and technological level and gradually turning the traditional labor-intensive agriculture into intensive farming and scattered small production into socialist production at a moderate scale. At the same time, it is necessary to give full play to the role of mechanization, develop and spread applicable new agrotechnology and scientific and technological achievements for agriculture, and further perfect the system of disseminating agrotechnology. Efforts should be made to achieve the target of using less labor force for a high yield and more returns. The second point is active efforts must be made to win support of local party committees, government, and people. Third is to correctly handle the relationship in some fields—namely, the relationship between agricultural and sideline production and military training, the relationship between production and management, the relationship between production and distribution, and the relationship between the effort to run enterprises in the Army and the endeavor to develop agricultural and sideline production. Here one thing should be especially stressed—that in saying the dominant position of developing agricultural and sideline production should be ensured, we never mean that we can ignore the development of Army-run enterprises. Army-run enterprises constitute a major part of the operative production system in the whole Army. For this reason, we should correctly understand and handle the relationship between the two. While carrying out improvement and rectification, earnest efforts should be made to augment both the operative, agricultural, and sideline production. Zhao Nanqi also expressed thanks to party and government leading organs at different levels of the Fujian Province and the people of the province for their support and assistance rendered to the PLA units stationed in Fujian in their development of agricultural and sideline production.



Chi Haotian pointed out in his speech: It is quite essential to make prompt efforts to promote production and life in the grass-roots armed units. Developing agricultural and sideline production well in the Army is a long-term policy and is in no way an expedient measure. We should carry forward the Nanniwan spirit, work hard, be bold in making pioneering efforts, and manage to solve problems arising in the development of production. The development of agricultural and sideline production in the Army has great potential. To achieve it, we should suit measures to local conditions, bring all advantages into full play, depend on the strength of science, and continuously achieve new successes. Numerous facts demonstrate that as long as the whole Army makes concerted efforts and builds the Army in accordance to the standards prescribed in the "Program for the Building of Grass-Roots Armed Units," we shall continuously raise the fighting capacity of our Army.

The Nanjing Military Region Commander Xiang Shouzhi, the General Logistics Department Deputy Director Zhang Bin, the Fujian Provincial Party Committee Secretary Chen Guangyi and Governor Wang Zhaoquo also attended and addressed the meeting.

### Economic & Agricultural

#### Currency Supply, Economic Problems Explored

HK0705120090 Hong Kong CHING CHI TAO PAO  
No 16 in Chinese 23 Apr 90 pp 13-14

[Part 2: Article by Yang Peixin (2799 1014 2450): "Has the Money Supply Increased or Decreased in China?—Part 2 of a Series on Economic Problems"]

[Text] [CHING CHI TAO PAO editor's note] Following the debate carried in part one, this writer believes that the focus of the debate is on how people should look at the current surplus purchasing power of 700 billion yuan—that is, the problem on whether the money supply in China has increased or decreased. This writer believes that the money supply in China at the present time has decreased and the typical currency deflation has begun. We should affirm and maintain the results scored in the first stage of the improvement and rectification program. However, it is also necessary to take measures to eradicate various negative effects resulting from the tight control over money supply. [end editor's note]

In the debate, those who hold that social supply is larger than demand base their argument on the undeniable facts—namely, the drastic increases in the storage stock totaling nearly 60 billion yuan. The overstocking of consumer goods means the consumption demand is insufficient. The value of electrical, mechanical and metal products that have been overstocked total nearly 30 billion yuan. This explains that the investment demand is insufficient. Whereas those who hold that total social demand is still larger than total supply base their argument on this: There exists a strong surplus purchasing power—namely, over 200 billion yuan of

banknotes and over 500 yuan of bank deposits. Moreover, in 1989 alone banknotes increased by 21 billion yuan and bank deposits by 133 billion yuan. Therefore, the focus in the debate was on how to look at the purchasing power of a surplus of 700 billion yuan.

**Does it mean that when the surplus purchasing power is strong, social demand is larger than supply?** What we are discussing here is social demand and supply, and it is different from the concept of total demand and total supply in a particular year. We are discussing the actual demand and actual supply. There have been two different situations in history, and therefore we must make specific analyses into specific situations.

When so many banknotes are issued that their amount exceeds the demand of the economic growth with the result that one cannot buy what he wants with his money and that he has to wait in line and purchase goods in panic purchasing with too many of his excessive banknotes, this means that demand is larger than supply. When the banknotes in circulation on the market are suited to economic growth and when people can get what they want with their money, except for a few rare commodities, this means that the existing amount of currency is indispensable for commodity circulation and that there is no surplus and impracticable purchase power.

When people deposit their money with banks because they cannot get what they want with their money, this means "compulsory deposits" when demand cannot be met. This kind of deposit signifies that demand is larger than supply. When people deposit their money with banks for saving their money against unexpected needs or accidents or for their children's education or for use during their retirement periods, this means the purchasing power is saved by means of their delaying in purchasing. This is the purchasing power obtained from delayed purchases and savings. This kind of deposit has been changed from the present purchasing power to a delayed purchasing power. In countries where the supply system and the big-pot-of-rice system are replaced by the wage system, everyone has to make arrangements for his own living. He must not use up all his money but must save some of it. This kind of deposits are indispensable in daily life. The Japanese, South Koreans, and our compatriots in Taiwan deposit 20 to 30 percent of their incomes with banks. Therefore, it is unrealistic to regard deposits as a tiger kept in a cage that will come out one day to swallow us. Even during the panic purchasing in October 1988 when people used their deposits to buy commodities, they only drew 20 to 30 billion yuan. On the contrary, deposits in that year still increased by 80 billion. In 1960 and 1961 deposits dropped. During those disastrous days people were compelled by their livelihood to draw their money to buy expensive candy and snacks. Under normal circumstances, deposits must not be included in the demand of the same year.

**What are China's banknotes and bank deposits like at the present time? For this, we must make a thoroughgoing**

**and careful analysis.** The currency in circulation at the end of 1989 totaled 234.4 billion yuan, whereas that in 1986 amounted to 121.8 billion yuan, an increase of issue of 112.6 billion yuan in three years. Nevertheless, retail prices increased by 8.8 percent in 1987, 18.5 percent in 1988, and 17.8 percent in 1989, showing a total increase of 52 percent in three years. Renminbi has been devaluated: One yuan in 1989 was worth only 0.65 yuan in 1986. According to this concept, the currency in circulation in 1989 was only equivalent to the 122.4 billion yuan in 1986. In other words, price hikes have canceled off 112 billion yuan of banknotes, and the GNP in 1989 totaled 1,590 billion yuan, 65 percent more than the 972.6 billion yuan in 1986. To match economic development, it is necessary to increase 199.14 billion yuan of currency for circulation. From the beginning of January to 30 March 1990, 18.08 billion yuan of currency have been recovered from circulation. The actual amount of currency in circulation is only equivalent to 71 percent of the amount due or 29 percent has been reduced.

**By experience, there has to be a definite limit in the control of the money supply.** In March 1950, we centralized all financial work and were able to curb inflation, and the currency in circulation in that month was reduced by one third. In 1962 and 1963 of the 1960's, the amount of currency in circulation was also reduced by one third. During that time, commodity prices stopped rising, commodities became unsalable, and inflation was curbed. When we were able to curb inflation in March 1950 by recovering one third of the currency in circulation, we began to readjust business and industry from the beginning of May the same year in an attempt to quickly enliven the market and check the serious development trends such as the unsalability of commodities on the market, work suspension in factories, the closing down of shops, and the unemployment of workers. In the 1960's when the currency in circulation had been recovered by one third, we stopped the tight control over money supply and gradually resumed investment. Now we have already reduced the amount of our currency by 29 percent, nearly a one-third reduction, while we are still tightening up control over the money supply. We believe that although we have many banknotes, they have been canceled off by the yearly increasing price hikes. Now we are stepping out of inflation and are entering into currency deflation. The 200-odd billion yuan in the surplus purchasing power are indispensable for market circulation and must not be considered the superfluous purchasing power. We must not conclude by reference to this that the actual demand is larger than the actual supply.

**Our deposits are made voluntarily under the conditions that most commodities are obtainable but are not the "compulsory deposits" made when commodities are unobtainable.** In March this year, the Guangzhou Social Situation and Public Opinion Research Center made a survey into the consumption psychology and consumption trend of residents. The results are as follows: Generally speaking, residents are psychologically prepared

for leading a thrifty life for several years. Over 90 percent of them said that they would not buy television sets, video recorders, refrigerators, washing machines, and deluxe hi-fi sets in the near future. Sixty-five percent said that they would not make the purchases because they could not afford them in the near future. Eleven percent said that their old electric appliances could still be used and that "they would use them until they were no longer useful because it was necessary to save as much as possible." It is difficult to improve the sale of high-quality home appliances, which are unsalable at the moment. Ninety-eight percent of the households already have television sets; 83 percent of the households already have washing machines. The families that have refrigerators, video recorders, and deluxe hi-fi sets account for 82 percent, 40 percent, and 30 percent, respectively. Of the persons under the survey, 67 percent thought that it was necessary to save some money for future use. Fifty percent of them were worried about their unemployment as enterprises suspended production and operations. Their actual incomes have decreased to varying degrees compared to the previous year and so their consumption desire is suppressed. This is why on the one hand the incomes of workers, intellectuals, and cadres are actually decreasing while on the other hand deposits are drastically increasing. From January to February of 1990, deposits increased by 45.66 billion yuan with a monthly average increase of 22 billion yuan. Deposits for this year will probably reach more than 200 billion yuan. Therefore, this kind of deposit obviously cannot be regarded as the practical purchasing power that can be used on the market and must not be included in actual social demand. China has a deposit of 514.6 billion yuan, only 32.35 percent of the GNP, which totals 1590.7 billion yuan. Whereas Japan has a deposit of 37.5 trillion yen, representing 1.75 percent of the GNP. The deposits of Belgium and Switzerland are between 1.5 and 2 percent of their GNP. China's deposits will continue to increase in the future; therefore, we must not come to the conclusion from the abovementioned that social demand is forever larger than social supply.

**Why have large amounts of commodities been overstocked in cities and rural areas and why are they unsalable? This is an inevitable phenomenon in the course of currency deflation.** Last year the production of grain, freshwater products, tobacco, wool, beet, cane, and fruit in rural areas was very good. Peasants in Gansu could not sell their grain, wool, and pigs. Peasants in Xinjiang and Inner Mongolia had stocked up their wool because no one had the money to purchase them. People in Baichengzi, Jilin province had no money to purchase the corn and sunflower seeds, so the commodities were then left to rot in heaps on the ground. The lamb and pork shepherds meat dropped from five yuan per jin to two and a half yuan per jin. In southern China, fruits were unsalable and some rotted. Chongqing urged people to "eat the patriotic tangerines" and each person could have 40 jin, with each jin worth 0.5 yuan. Shandong, Fujian, and Zhejiang have an abundance of sea products; however, their products were unsalable and their prices

dropped. People had no money to purchase agricultural and sideline products so they were overstocked. On the other hand, industrial goods in cities were overstocked too. Wool knitwear and home electric appliances were unmarketable. Why was it that commodities were unsalable even in cities and towns? Because we practice planned commodity economy rather than barter trade, transactions are to be made with money. While the bank credit planned system has become a hindrance to loans for the purchase of industrial and agricultural products with the result that money cannot be put there. October 1989 was the season to purchase agricultural products and make investments but the banknotes in circulation were still being recovered. On the other hand, the interest rate for business loans was high at 11.34 percent. With the commodities in hand, we will make a profit if we can sell them within one month; we will make no profit if we cannot sell them within two months, and we will lose money if we cannot sell them until after three months. It should be seen that the socialist business has the functions as the main canal, water tank, and the regulation of production in society. When interest rates are too high, and the amounts of loans are controlled by credit plans, state business enterprises dare not borrow money and are unable to borrow much money. Therefore, its functions as main canal and water tank cannot be used. We must not indiscriminately copy theories from the West, namely checking inflation by increasing loan interest rates. When banknotes are too few, there is insufficient blood. This leads to poor blood circulation and palsy, and will hinder the enlarging of reproduction in society, artificially giving rise to economic recession. Now it seems that it is a bit late for us to see the poor circulation of currency.

**Therefore, I think that we are too short in the money supply now, and the typical currency deflation has set in. At least in 1989, social supply was larger than social demand, and the development trend in 1990 is similar. We must admit that these are the preliminary results of the improvement and rectification program.** It has not been not easy to reverse the situation in which social demand was larger than social supply, which had been a tendency for many years (since 1983 at least). It was only achieved when we took many resolute measures in 1989. Investment demand could only be achieved when we reduced our the investment scales on every investment level and took administrative means. Social public consumption demand is the result of our reducing the purchasing power of social groups, fostering honesty, and cracking down on corruption and theft. Reducing the consumption demand of staff and workers, intellectuals, and cadres results in the price hikes over the years, the drop in the practical purchasing power, the suspension of production in some enterprises, the reduction of consumption, and people leading a thrifty life for several years. The decreases in the production and consumption demand of peasants have resulted from the low pricing of agricultural products, the many rises in the prices of the means for agricultural production, the relatively large difference between the prices of industrial and

agricultural products, the decrease in the purchase of agricultural and sideline products (in 1989 cash payment for agricultural and sideline products only rose by two percent, and the volume of these products decreased), while the financial and banking tightening policies have produced an especially direct impact. Therefore, we must see that it is the symbol of success in the first stage of the improvement and rectification program while having to cope with the difficulties it has brought, such as the unsalability and overstocking of commodities, work suspension, and unemployment. This kind of economic depression is natural during the process of currency deflation. **We must take measures to retain our results and eradicate negative effects.**

### Increased Efficiency, Reduced Hours Viewed

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13 Apr 90 p 3*

[Article by Yan Guoming (3601 0948 2494): "Increase Efficiency, Shorten Working Hours—Thoughts Concerning Reform of the Labor and Employment System"]

[Text] Along with the reform of the economic structure over the past decade, profound changes have taken place in various aspects of urban economic life. In the field of labor and employment, we have smashed the unitary permanent occupation system, explored various employment systems focused on the labor contract system and optimized labor combination, and gradually extended the rights of enterprise workers to choose jobs, thus invigorating enterprises and markedly increasing economic efficiency. To date, however, the stagnation in the reform of the labor and employment system has become an obstacle to our reform. Because of this, it has been difficult to resolve a series of problems facing enterprises and society such as demand for and supply of labor, employment, transfer, and unemployment. Hence, it is an important topic to be settled to continue to deepen the reform of the labor and employment system and seek a new way which gives prominence to development and efficiency as well as takes stability and fairness into account. These issues will be explored in this article.

### 1. The situation of employment facing the state and enterprises and its characteristics.

China is a developing country with a low level of productive forces, a large population, a big base figure, and excessive growth. Because of the long-term "leftist" ideological influence over population and employment, the question of supply of labor exceeding demand has hindered our construction and development. The birth peak in the late 1960's and early 1970's in particular has led to the current grim situation in employment. Its characteristics of wide gap between supply and demand, imbalanced structure, and poor efficiency are manifested in the following:

First, the large number of redundant personnel in state-owned enterprises, the low labor productivity and utilization rate of working hours, and high labor costs.



According to an analysis of relevant data, there are now 20 million redundant personnel in China's state-owned enterprises, accounting for one-fifth of the total number of workers. The annual expense of the state in this regard totals 50 billion yuan, equivalent to the sum of the funds used by the state in capital construction, tapping enterprise potentials, and technical innovation and transformation in 1983. The current use rate of working hours in state-owned enterprises is 49.5 percent, less than half. Moreover, the rate is only around 30 percent in a considerable number of state-owned enterprises. The low rate of labor productivity in the existing enterprises is bound to lead to high labor costs.

Although the optimized combination of labor may reduce labor costs, it may result in unemployment of millions of laborers.

Second, the sharp increase in the number of people in urban and rural areas who have reached the employment age.

According to information provided by the research institute under the State Planning Commission for development and use of human resources, the number of people reaching the labor age totaled an average of 22.7 million a year from 1989 to 1991. After deducting the number of deaths, disabled, and those withdrawing from this group, the number of the country's laborers shows a net increase of 12.59 million a year. Moreover, according to the data provided by the Ministry of Agriculture, the latent unemployment figure in China's rural areas may reach 310 million by the turn of the century.

Third, the demands for laborers by enterprises of the state, collective, and other economic sectors have markedly decreased.

Jobs were offered to only three million people in 1989, five million fewer than the previous years. It is unlikely that this state of affairs will change in the near future, because:

The large number of redundant personnel has made it difficult for state-owned enterprises to absorb them and has also limited the capacity of employment. The labor quotas for state-owned units in 1989 were 2.25 million which could be recruited only from among personnel covered in the centralized placement plan.

Following the rapid growth of the collective economy in cities and towns in the first half of the 1980's, the demand for laborers has also decreased. The indices (taking the previous year as 100) of the workers at year-end dropped from 106.6 in 1980 to 103.4 in 1985 and 101.1 in 1988. In the ten months from January to October 1989, instead of an increase, the number of workers of collective owned units in cities and towns dropped by 540,000 compared with the previous year. This is an inevitable outcome of the economy which develops from extensive to intensive operation. It is also closely related to the drive to improve the economic environment and rectify the economic order.

In 1989 the number of individual laborers in cities and towns dropped 90,000 from the previous year. An end has been put to the blind development of the individual economic sector.

Fourth, the hidden structural unemployment has become apparent.

Structural unemployment abroad usually refers to a shortage of special technological personnel and oversupply of ordinary personnel because of the development of social productive forces and enterprise technological progress. However, structural unemployment in China has characteristics different from other countries: 1) Latent unemployment does not constitute a motivation impelling workers to consciously improve their qualities; 2) "Human resources squeezing out machines," slow pace of technological progress, and the consistent system over the decades; as a result, structural unemployment cannot produce an impact on workers and staff members; and 3) Labor shortages dirty, dangerous, arduous, and toxic trades and posts which do not require any technology and the prominent tendency of "mature employment" characterized by pursuit for comfortable jobs and high salary, which have resulted in the coexistence of the "difficulties in employing people" and "difficulties in getting jobs."

## **2. Increasing the use rate of working hours, shortening working hours, and moderate unemployment is the effective way to realize full employment.**

We hold that the establishment of a new labor employment system with increasing the use rate of working hours, shortening working hours, and increasing efficiency as a turning point is feasible. This system has the following basic points:

First, increasing efficiency is the starting point as well as purpose of the new labor employment system.

The fundamental task of socialism is to develop productive forces. The purpose is to markedly improve the people's material and cultural living standards. To fulfill this task and attain the purpose of socialist production, following a solid foundation of the national economy, an essential method is to increase efficiency, namely, increase labor efficiency of man and use efficiency of materials. In these two aspects, the former, which is primary, plays a decisive role. This conforms to the objective the laws of a socialist economy. As a change is being effected in China's economic development strategy from extensive to intensive operation, tapping enterprise potentials and increasing enterprise efficiency are the foundation for solving all problems. There are potentials in both labor productivity and use rate of working hours in China's existing enterprises. Moreover, there is a vast reservoir of national spirit and enormous wealth. The key to the problem is how to tap these potentials and increase efficiency of the existing enterprises. In connection with the current conditions of enterprises, we hold that the following four links should



be grasped to increase enterprise efficiency: First, continue to uphold and perfect the contracted operation and management responsibility system, turn contracts by factory director to all-personnel risk-bearing mortgage contract system, change the quotas contracted by enterprises to enterprise internal contract quotas through enterprise workers' congress, assign the contract quotas to the lower levels in light of the rights-responsibility-interests principle, manage to "enable everyone to have a post and quotas, every level to make assessment, and every section to assume responsibility for both its gains and losses," and gradually establish an enterprise interest community to impel workers to consciously increase labor productivity and reduce labor consumption. Second, introduce optimized labor combination, improve the labor organizations, strengthen labor management, and enforce labor discipline and standards for assessment. In view of the problems existing in enterprises which include large number of redundant personnel, serious waste of working hours, and lax discipline, we hold that enterprises should in connection with their actual conditions reduce the number of redundant personnel, fix the posts and personnel in a scientific manner, and work out scientific labor regulations and assessment system to exercise strict discipline among all staff members. Third, earnestly implement the principle of distribution according to work, eliminate the method of egalitarian distribution, link the workers' wages directly with the quantity and quality of their labor, widen the difference between the wages of various trades and jobs, genuinely introduce the practice of imposing no ceiling or lower limit, and use material incentives to stimulate the workers' enthusiasm for labor. Fourth, improve the technological and psychological qualities of the laborers, increase the laborers' sense of being masters through conducting education and participating in management and through enhancing ideological and political work and enterprise cultural building, and meet the requirements of scientific management and highly efficient work.

Second, shortening working hours is the essential means to realize full employment.

At a time when there are large numbers of redundant personnel in the existing enterprises, the proposal of increasing efficiency is bound to result in "three persons doing the work of five," further increasing the burden of enterprises which have redundant personnel and blocking the way out for those newly employed. Unless this problem is solved, it will constitute a threat to social stability. In light of the status quo of labor and employment of China's enterprise workers and in connection with the experience of other countries in solving the problems of labor and employment, we hold that shortening working hours is an effective way to alleviate the pressure on employment and realize full employment.

Shortening working hours is an international trend. China's work hour system, that is, eight hours a day and six days a week, was established just after the founding of the PRC. It was suited to the development at that time.

Although the system of working five days a week has been implemented in the developed countries and some developing countries for a relatively long time, the working hour system has remained unchanged in China. Moreover, of some 150 members of the International Labor Organization, four countries including China have not yet implemented the annual leave system.

By shortening working hours and implementing the systems of annual leave and working five days a week, we can offer 34 million job opportunities. In light of China's current working hour system, a laborer has to work 2,448 hours a year. If the system of working five days a week is implemented, a laborer would only have to work 2,032 hours a year, a decrease of around one-fifth of the standard hours. Hence, we can offer job opportunities to around one-fifth of the total number of workers. If the system of annual leave is implemented, working hours of a laborer would be further reduced to 1,952 a year, 496 less than the current work system or one-fourth less than the reduced annual standard working hours. In other words, if the systems of five days a week and annual leave are introduced, we can offer job opportunities to one-fourth of the existing workers. If calculated on the number of the country's workers by the end of 1989, we can offer 34 million job opportunities. In this way, we can solve the problem of redundant personnel of the existing enterprises and also offer jobs to some 10 million people.

Shortening working hours and giving laborers more time to rest are also the internal demands of the target of socialist production. Giving laborers more time to rest is required for the laborers to enjoy life and seek self-development and is also a compensation for their efficient work. This system has more strong points than the low efficient long working hours.

The shortening of working hours should be based on increasing efficiency. Otherwise, it will increase labor costs and lower the production level of laborers. In light of the current use rate of working hours in enterprises, the effective working hours of a worker are 19.2 to 28.8 a week. If we increase the use rate of working hours by 80 percent (working 40 hours in five days), the effective working hours will be 32 a week, far higher than the current weekly effective working hours.

### Efficiency of Industry Economics Discussed

HK0405043590 Beijing JINGJI GUANLI in Chinese  
No 2, 1990, pp 27-30

[Article by Wang Kong (3769 4500), edited by Shen Zhiyu (3088 1807 3342): "Countermeasures Against the Poor Economic Efficiency and Returns of China's Industries"]

#### [Text] I. The Present Situation

Economic efficiency is the efficiency and returns of economic activities and is the comparison between input

and output. The absolute volume of this type of comparison is the difference between the output volume and the actual volume of consumption input—the volume of consumption input—at a particular time, such as the net output value (national income) or the amount of returns, or the aggregate amount of profit and tax. The relative volume is the ratio between the output volume on one hand and the volume of consumption input or the input volume on the other hand, such as various types of returns. Since the implementation of the reform, the scale of the industries in China has been rapidly expanded, the economic strength of China has been substantially enhanced, and the absolute volume of efficiency has also been obviously increased. However,

the situation of the relative volume of various types of returns, which are the objects of the investigation on economic efficiency, is not at all satisfactory. A large volume of statistical data shows that the economic efficiency (the relative volume) of industries has been fluctuating over the recent years and has been very unstable. In the period from 1979 to 1984, it increased slowly year by year. However, since 1984 it has been decreasing in great magnitude. In 1986, the efficiency of all industries fell to a level lower than that in 1976; and in 1988, the level of efficiency was close to that of 1962 and, thus, has achieved the second lowest level of efficiency in the industrial history of new China. The following table shows the changes in the index of the relative value of several main types of efficiency.

Item	Year				
	1957	1962	1976	1978	1984
1. Gross Output Rate of Fixed Assets (original value)	139.27	71.12	95.88	102.56	95.73
2. Net Output Rate of Material Consumption (all industries in the country)	57.48	49.03	50.83	54.08	49.25
3. Rate of Profit and Tax on Total Cost	65.78	27.82	31.17	35.80	31.01
4. Rate of Profit and Loss on Funds	34.64	15.12	19.30	24.16	24.24
5. Rate of Decrease in Comparable Product Cost	3.8	4.2	-2.3	4.6	-2.0
6. Coefficient of Investment Returns	62.15	-104.76	-30.18	75.97	41.49
7. Aggregate Rate of Efficiency	32.89	19.89	23.88	26.25	25.22

Item	Year			
	1985	1986	1987	1988
1. Gross Output Rate of Fixed Assets (original value)	94.57	88.66	86.73	84.69
2. Net Output Rate of Material Consumption (all industries in the country)	47.93	46.41	44.72	
3. Rate of Profit and Tax on Total Cost	29.10	25.59	24.24	22.41
4. Rate of Profit and Loss of Funds	23.81	20.65	20.30	20.63
5. Rate of Decrease in Comparable Product Cost	-7.7	-7.3	-7.0	-15.6
6. Coefficient of Investment Returns	48.95	29.70	39.29	
7. Aggregate Rate of Efficiency	24.61	22.62	21.93	21.21

Note: Except for the data specified as the industrial statistical data of the whole country, all the data listed in the table are statistical data of all the economically independent industrial enterprises. The gross output rates stated under item one above are based on the constant price of 1970. Item six is the comparison between the increase in the net output value and the amount of total investment in fixed assets in the same year. Item seven is the ratio between the net output value on one hand and the sum of the net output value of fixed assets, the consumption value of materials, and the consumption of human labor at the same year on the other hand, and the consumption of human labor is calculated according to the product of the average wage (515 yuan) of staff and workers in 1952 and the number of staff and workers (year-end figure).

Most of the figures listed in the table are indicators of whole-people enterprises that have achieved a better value of efficiency. Since the proportion of this type of enterprises to the total number of industrial enterprises in the whole country has been decreased year by year (this type of enterprise contributed to only 55 percent of the gross value of industrial output in 1988), the actual aggregate level of the economic efficiency of all industries in the country is lower than that listed in the table. The statistical information about budgetary enterprises

in the first half of 1989 illustrated that economic efficiency of industries was still decreasing by a large magnitude and in a continuous way. When compared to the same period in 1988, the comparable product cost has increased 18.6 percent (this is the largest percentage of increase over the recent years); the rate of profit and tax on sales decreased by 2.6 percent, and the magnitude of decrease was 12.9 percent; the rate of profit and tax on funds decreased by 1.2 percent, and the magnitude of

decrease was 11 percent; and the amount of loss incurred by enterprises suffering loss has increased by 113 percent.

The decrease in the economic efficiency of industries over the recent years has the following characteristics: First, there has been an overall decrease in economic efficiency, and the magnitude of decrease has been abnormal. Second, the structure and the distribution of the decrease in efficiency has been under a common but abnormal pattern. The economic efficiency of all types of enterprises has decreased, and the magnitude of decrease in the economic efficiency of whole-people enterprises has been greater than that of other types of enterprises including enterprises that have the nature of private ownership; and the economic efficiency of large, medium, and small-sized enterprises has also decreased, and the magnitude of decrease in the economic efficiency of large-sized enterprises has been greater than that of medium-sized enterprises. Moreover, the economic efficiency of most industrial departments and industrial sectors has also decreased; and the energy industry, the raw materials industry, and the light industry, which originally had a good economic efficiency situation, have suffered the largest magnitude of decrease in economic efficiency, and the petroleum and the textile departments in particular have suffered the greatest decrease in economic efficiency, and the whole petroleum industry has incurred loss. Apart from these, the economic efficiency of most areas has decreased, and Beijing, Shanghai, Tianjin, east China, north China, and northeastern China, where these three municipalities are located and which originally had a strong industrial base, many key state mainstay enterprises, and a higher level of efficiency have suffered the greatest decrease in economic efficiency. Shanghai, the largest industrial base of China, has suffered the largest decrease in economic efficiency. The rate of profit and tax on funds of the state-owned enterprises in Shanghai has decreased from 75.5 percent in 1978 to 34.1 percent in 1987, and the decrease in these nine years was 41.4 percent. Third, the loss brought about by the decrease in economic efficiency has been serious. When the year 1987 is compared with the year of 1978, the decrease in the rate of net output of material consumption of the industries in the whole country was 9.36 percent, and according to the calculation on equivalent amounts of material consumption, the loss in national income in 1987 was 89.34 billion yuan, which is equivalent to the sum of the national income achieved by Beijing, Tianjin, Shanghai, and Jiangsu Province in 1986. When the year of 1988 is compared with the year of 1984, there was a decrease of 3.61 percent in the rate of profit and tax on funds of economically independent enterprises in the whole country, and when calculating according to the equivalent amount of funds, the total loss in profit and tax brought about by such decrease in 1988 was 31.06 billion yuan, which is equivalent to the sum of the profit and tax achieved by Beijing, Tianjin, Shanghai, Qinghai Province, Ningxia Province, and Xizang Autonomous Region in the same year. According to these figures we can

calculate that the loss in profit and tax incurred by the economically independent enterprises in Shanghai in 1987 was 25 billion yuan (when compared with 1978); this amount can cover all financial deficits incurred in the five years since 1983.

In short, substantial decrease in the economic efficiency of industries in China, which was originally very low, has brought great difficulty to the national economy and to people's livelihood. In facing such a serious situation, we absolutely should not treat it lightly.

## II. Causes

The causes of the decrease in economic efficiency of industries are diversified and have involved many levels. The surface causes are the direct factors that can be found out from the increase or decrease in the various types of consumption listed in the accounting books. The main factors are: 1) The shortage of energy, raw materials, and transportation facilities, in particular the shortage of the supply of electricity, has led to a situation where many enterprises cannot operate at full scale and equipment has laid idle and has led to great decrease in output. 2) Substantial increases in the price of raw materials and in transportation fees have led to increases in the value of the material consumption of enterprises. 3) The number of circulation links has been increased, the situation of speculation and profiteering has become very serious, and the circulation fee has been increased by a large magnitude. 4) The management and operation of enterprises are not sound, and the situation of waste has been serious. 5) Enterprises have been competing with each other in consumption and have used various excuses to increase cost. 6) The depreciation rate of fixed assets and the interest rate of bank loans have been increased. 7) The amount of nonbusiness expenditure of enterprises has been too large, and the number of fees that enterprises have to pay has been increased, and some of these fees have been taken into account as cost. 8) The industrial structure has been changed. The main change is that the proportion of whole-people enterprises in all industries has been decreased year by year, while the proportion of collective enterprises and township and town enterprises has increased. This has also led to an increase in the total material consumption of industries. 9) Equalitarianism, the problem of unequal distribution, the phenomena where party and government cadres have become corrupted, and other problems, have adversely affected the enthusiasm of staff and workers and have brought the results that the number of effective working hours have become too small and the quality of labor has become bad. The effects caused by the above-mentioned factors can be generally calculated. The analysis on the financial situation of economically independent industrial enterprises in 1987 showed that in the 0.93 percent decrease in the net output rate (the proportion of net output value to the total output value in the same year), and in the 10.6 billion yuan loss in the national income in that year, an amount of about 5.6 billion yuan net loss was caused by the increase in the price of raw materials; an increase of 6.3 billion yuan in



"other expenses" was caused by improper management; and an amount of loss of about 2.1 billion yuan (the amount of loss caused by these three factors which has exceeded the total amount of loss was absorbed by the practice of double-increase and double-economy, same as for below) was caused by the increase in the depreciation rate and the changes in industrial structure. In the decrease of 1.61 percent in the profit and tax rate (the proportion of the total amount of profit and loss to the net output value), and in the loss of about 5.6 billion yuan in profit and tax income, 5 billion yuan loss in profit and tax was caused by the substantial increase in entertainment expenses, conference fees, advertising fees, cleansing fees, and "other expenses," which was caused by improper management and the increase in social burden. Apart from these, because of the increase in the burden of the interest rate, an amount of 3.1 billion yuan of loss in profit and tax was resulted; while the proportion of wage expenditure has basically been unchanged. It is not difficult to find out that the increase in the price of raw materials and improper management of enterprises are the two main factors of all the objective and subjective factors that have led to the decrease in the economic efficiency of industries, and the influence of the latter factor is stronger than that of the first factor. We can know from calculations that even if there has been no disturbance caused by the external factors of enterprises, the net output rate and the profit and tax rate would also have decreased, while the degree of decrease would have been different. Therefore, the conclusion is: The deterioration of the external environment of enterprises, which was caused by the increase in the price of raw materials, and the deterioration of the internal functions of enterprises, which was caused by the wasteful and poorly efficient management and operation of enterprises are the two factors that have led to the decrease in economic efficiency. These two factors, however, are directly related to the deterioration of the effectiveness of the planned macroscopic regulation and control [tiao kong 6148 2235] of the government. Macroscopic management, which has been out of control, a chaotic market of materials and goods, greedy middle exploiting groups, and wasteful enterprise management have caused industrial efficiency to fall. The phenomenon of the runaway of macroscopic control is the root of the problem; the phenomenon of low-efficiency of enterprises is the foundation; and a chaotic market is the crux.

Behind the above-mentioned surface causes, which have led to an increase in consumption and decrease in income, there is a series of deep-level factors. The main factors are: Inappropriate rate of growth, imbalance of the industrial structure, and defects of the current economic system.

The inappropriate rate of industrial growth has been shown as "two nonmatches." First, output does not match input. Over the recent years, the volume of industrial investment has been too large. Since 1985, the value of material consumption of state-owned industries and the total cost of state-owned enterprises have been

increased by 20 percent per annum, and the annual increase in 1988 was as high as 26 percent. When output volume does not match this level, efficiency will of course fall, and the amount of benefits (net output value or the total amount of profit and tax) will not increase with the growth rate in a synchronous rate and in the same magnitude, and will even have negative growth. The year 1986 was a typical example. Second, investment does not match the financial strength. Over the recent years the investment in industry has been too high. Since 1985, the proportion of the sum of the investment in the fixed assets of state-owned industries and the additional quota of circulation funds in the total amount of profit and tax obtained in the same period have exceeded 88 percent. This proportion reached 110.9 percent in 1986, 110.3 percent in 1987, and 115.9 percent in 1988. Such a high rate of investment has caused difficulty in maintaining a high output growth rate. This is the crux of the problem—that industries have been growing too fast and efficiency has been decreased.

The imbalance of the industrial structure is a problem that has involved many aspects. This is mainly caused by the imbalance in the proportion between the raw material industry and the manufacturing industry in the course of industrial production. If we regard the sum of heavy industry and light industry, which takes industrial products as its raw material, as pure industry, the excavation industry of heavy industry, and the raw material industry as the raw material departments of pure industry, the manufacturing industry, and light industry, which takes industrial products as its raw materials, as the processing departments of pure industry, and the ratio between the output value of raw material departments and the output value of processing departments as the "pure industrial burden coefficient," such as the extent to which industrial raw materials can support industrial processing, then in 1985 this pure industrial burden coefficient has fallen to the lowest point (54.99 percent) in the industrial history of New China; and this coefficient has further decreased in 1987 and 1988 (this was only 47.06 percent in 1988). Similar types of decrease have occurred three times before and have brought serious damage to industrial development. The first time, it was the serious difficulty brought about by the "Great Leap Forward;" the second time it was the economic chaos that occurred in the initial period of the "Cultural Revolution;" and the third time it was the difficult situation where the national economy almost collapsed in the latter period of the "Cultural Revolution." The current decrease in economic efficiency has put the reform and development in a difficult situation. This deep-level contradiction of the industrial structure in the aspect of the relations of industrial burden is the material foundation of the operation of the industrial economy. The imbalance between aggregate social demand and aggregate social supply, and the inflation caused by such imbalance are to a large extent the surface-level reflection of such contradiction. We should pay great attention to this.



The main defect of the current economic system is the disharmony of the immediate system of the industrial economy. At the time when the new and the old economic systems coexist with each other and when the old system is being transformed into a new system, there will objectively be an immediate system formed by the combination between the new and the old parts of the two systems. Over the recent years the main defect of such an immediate system has been that the internal functions of state-owned industrial enterprises do not match and cannot coordinate with the external environment of these enterprises. Enterprises that do not have a stable mechanism for pursuing economic efficiency and do not have the authority and capability of making independent management decisions and taking part in independent competition have excessively lost the planned materials and goods supply at a stage earlier than when they can afford to lose such a supply. In facing a chaotic market where unfair competition exists, it will be very difficult for them to maintain their normal functions under the situation of rapid changes. Under such circumstances, it will be easy for them to have short-term behavior, a trend of wasteful management, and a trend of getting profit by setting a higher monopolistic price will be easily started, and seriousness of market speculation and the problem of inflation will be intensified. Enterprise managers have often been engaged in securing materials and goods supply and have been competing with each other in increasing consumption. Consequently, the consumption of materials has become out of control and the control on cost has been lost. Therefore, it is natural that economic efficiency will fall, and reform and development will not coordinate with each other but will even go against each other.

### III. Countermeasures

In view of the factors that have led to the decrease in economic efficiency of industries, the basic thinking to increase economic efficiency in the near future is to clearly and definitely unify the reform on development, and to decisively readjust the industrial structure of industries and the general process for achieving efficient production. Therefore, planned regulation and control [tiao kong 6148 2235] should be enhanced, market circulation should be rectified, and enterprise management should be improved. Moreover, the relationship between the internal functions of enterprises and the external environment of enterprises should be coordinated to gradually establish a new socialist conscious competitive mechanism, which can bring microscopic vigor and macroscopic balance, to increase the total efficiency and enhance the functions of the industrial economy.

In enhancing macroscopic planned regulation and control [tiao kong 6148 2235], the key lies on adjusting an appropriate growth rate, obtaining a coordinated industrial structure, and on making smooth the relationship between the central and local authorities.

1. An appropriate growth rate. According to estimations, the appropriate annual growth rate of state-owned industries in the near future should fall in the range between 6.5 percent to 8.5 percent, such as 7.5 percent plus or minus 1 percent; and the investment rate in the current year (such as the proportion of the investment in the fixed assets of state-owned industries to the total amount of profit and tax achieved in the same year) should be in the range between 50 percent to 60 percent, such as 55 percent plus or minus 5 percent. The annual growth rate of all industries can be at a level slightly higher than this level, and should be controlled at the range between 7 percent to 9 percent, such as 8 percent plus or minus 1 percent. (Footnote) (The data given here were calculated according to the "Growth Efficiency Model" put forward by this writer in 1987. See "The Economic Efficiency of Industries in China," published by the Publishing House of the Academy of Social Sciences of China, chapter 22.) The key to the control of the speed of growth lies on resolute control on the investment rate, in particular on cutting down the investment in fixed assets. If this policy cannot be implemented, all measures will become empty talk. The output rate which is under the control of an appropriate investment rate that is already fixed, in particular the output volume of large and medium-sized basic industries and the manufacturing industry of daily necessities, and the supply of the essential circulating funds matching such output volume, should not be cut but should be fully supported. Corresponding to this measure, all nonproductive basic construction, apart from that for scientific research, education, and housing for inhabitants, and the consumption of social groups should be substantially cut. This is a long-term important policy for strengthening the country and for making the people rich, and should be ensured according to laws.

2. Industrial structure should be readjusted and coordinated. According to experience and data, in order to have a coordinated and smooth process of industrial production, the burden coefficient of pure industries should be maintained at a level above 65 percent—to maintain a level higher than that in 1983. Therefore, the investment structure should be vigorously readjusted, a specific and practical industrial development chart and efficiency level control chart should be formulated, and a number of general manufacturing industries, which have exceeded proportion and have low efficiency, should be resolutely eliminated by economic and administrative means. Enterprises that have been eliminated and are located in urban areas should be transformed into basic industrial enterprises and enterprises of the tertiary industry; and enterprises that have been eliminated and are located in rural areas should be transformed into enterprises that are to be engaged in the production of agricultural products and they should take part in strengthening agricultural production.

3. The relationship between the central authorities and local authorities should be coordinated. The situation where the decision-making power of the central authorities and local authorities, and the income between the

central authorities and local authorities have not been appropriately distributed, and the situation where local authorities have become economically independent regimes should be improved as soon as possible. The basic functions of local governments in the industrial economy are to implement regional and middle-level macroscopic planned regulation and control [tiao kong 6148 2235], to build infrastructure, and to organize people's living under the centralized leadership of the central government. They do not have the functions of general industrial investment mainstays. Therefore, their power of making decisions in industrial investment should be eliminated. In the aspect of taxation, a system where the central authorities and the local authorities will have different taxation systems should be adopted, and the profits that all industrial enterprises have to be turned over to the state should be centrally controlled by the central authorities. The system of contracted local financial responsibilities should be eliminated as soon as possible, and the financial strength of central authorities should be enhanced to obtain the positive power and the material strength to comprehensively readjust the industrial structure.

The key to rectifying market circulation lies on the materials and goods market and the raw materials market. In proceeding from the present practical situation of materials and goods supply and the practical situation of materials and goods supply in a considerably long period of time in the future, the supply of important and scarce industrial raw materials should be managed in a way similar to that of managing the grain supply to inhabitants. Original materials and goods department at all levels should be transformed into unified shops of the means of production, and materials and goods supply cards and bonus certificates should be issued to industrial enterprises. For all enterprises that can meet the requirements of the state's industrial policy, the system of purchasing main raw materials by contracts should be adopted according to their fulfillment of planned production and their level of efficiency (for enterprises incurring losses because of policy, the system should be adopted according to their material labor productive rate level). At present, a situation of proportional purchase and sale of planned products and planned materials and goods on an equal level should be achieved. At the same time, the price of main types of materials and goods should be smoothed in a planned manner to stabilize people's thinking and to recover normal production order. From now on, materials and goods can be supplied according to the situation of the supply and demand of materials and goods and according to different categories. When the "grains" of industries can be grasped, the initiative for controlling industrial development and for increasing economic efficiency can thus be grasped. This is a way of handling matters according to the principle of seeking truth from facts and economic laws. In rectifying the market of other general industrial products, the focus should be on strictly banning the practice of increasing prices not according to regulations and illegal profiteering activities.

The focus of improving the management of enterprises lies on state-owned large and medium-sized industrial enterprises. The key to improving management is to pinpoint the short-term behavior resulting from the various current types of contracted responsibility system and other defects and to form an operational mechanism that combines encouragement and constraints and enables enterprises to really become economic mainstays independent in management that can be responsible for profit and loss and can have the initiative to aim at obtaining and increasing efficiency.

### Commentator's Article on Rural Enterprises

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17 Apr 90 p 1

[Commentator's Article: "Have a Thorough Understanding and Correct Assessment of Town and Township Enterprises"]

[Text] Town and township enterprises, which "suddenly came to the fore" in the wake of reform and opening up to the outside world, are playing an important role in China's political, economic, and social life, and exerting a growing influence upon China's economic development.

The output value of town and township enterprises accounted for seven percent of total social output value 10 years ago, and has jumped to 25 percent now. The total output value of town and township enterprises in 1989 almost amounted to the total social output value in 1979. Of the former, the total industrial output value made up about one third of the total industrial output nationwide, and was about as much as the national total industrial output value in 1980. The fixed assets and circulating funds the town and township enterprises have at present, are 12 times that they had 10 years ago, and the taxes turned over to the state increased by 13 fold in 10 years.

The appearance and development of town and township enterprises represent a great industrial revolution under the CPC leadership in the countryside. The party Central Committee and the State Council have been clear and consistent in their understanding, assessment, and policies toward town and township enterprises. The Fifth Plenary Session of the 13th CPC Central Committee fully affirmed the role of town and township enterprises in the national economy, put forward the policy of readjusting, restructuring, consolidation, and improving the national economy in line with actual conditions, and stressed the necessity of leading town and township enterprises to develop healthily. In this way we have been able to maintain the stability and consistency of our economic policies, improve the policies through practice, protect the productive forces which were developed during the reform and opening, and make sure that the town and township enterprises develop in a stable and coordinated way.

Economic improvement and rectification have subjected the town and township enterprises to rigorous trials and also created favorable conditions for their development. In talking about town and township enterprises recently, a leading comrade of the State Council pointed out: "We have not given enough prominence" to the role of town and township enterprises. "We should correctly assess the role of town and township enterprises in developing China's economy." These remarks were made in light of existing circumstances and in a timely way, and are of great importance to guiding town and township enterprises on the road of progress.

China is still a big agricultural country, and agriculture and the rural economy constitute the basis of the national economy. Town and township enterprises have now become: The only way for revitalizing the rural economy; the principal part of the rural economy; and the main industry providing job opportunities for superfluous labor in the countryside. In China today, more than 90 million peasant laborers work for town and township enterprises, increasing the peasants' income; promoting development of small towns; avoiding after-effects and unwanted factors arising from a lot of peasants thronging into cities, as is the case with developing countries; stabilizing the countryside; and stabilizing the state. The role and significance of town and township enterprises in this respect should not be underestimated.

Town and township enterprises are new things in China's history of economic development. The whole society should have a more accurate understanding and make a more just and fair assessment of town and township enterprises as an essential part of China's national industry and as an undertaking entered upon by tens of millions of peasants so that we can help them develop healthily with vigorous efforts.

Naturally, correct assessment of town and township enterprises does not mean evading, denying, or ignoring problems with the town and township enterprises. After all, town and township enterprises have only existed for a short time, and they need to be gradually readjusted to accord with the state's macroeconomic development and to meet the requirements of the state's industrial policy, and it also takes time for the government's departments in charge of town and township enterprises to understand the latter and familiarize themselves with the situation so that they will exercise effective control. In addition, various policies for readjusting town and township enterprises and relevant supportive measures have to be improved through practice, which also takes time. With the economic improvement and rectification and reform developing in depth, we believe that measures and methods can be found out which will ensure the realization of the state's plan and macroeconomic targets, and give play to strong points of town and township enterprises.

So long as all quarters, in light of guidelines laid down by the party Central Committee, give necessary support to

town and township enterprises and promote their sustained, coordinated, and healthy development by strengthening control and providing effective guidance, the enterprises will definitely make new and greater contributions to revitalizing China's economy thus improving economic, political, and social stability nationwide.

### **Socialized Services for Agriculture Encouraged**

*HK0705095090 Beijing NONGMIN RIBAO  
in Chinese 9 Apr 90 pp 1, 2*

[Article by Chen Junsheng (7115 0193 3932): "On Perfection and Development of the Rural Two-Tier Management Structure"]

[Text] Perfecting and developing the rural two-tier management structure, which is characterized by integration of unification and division, is one of the important issues in rural reform and development. The two tiers refer to peasant household contracted operations on the one hand and socialized services on the other. The integration of these two tiers makes up the rural two-tier management structure.

The first thing to do in the rural two-tier management structure now is to have socialized services well organized. This is because a good external condition is vital to the further consolidation and perfection of a household contract responsibility system, and a unified socialized service system is the very condition. At present, service systems of this kind are only found in very few rural areas in our country, and even those are far from perfect, falling short of the needs of production. This has a direct negative effect on the functioning of the household contract responsibility system and also affects peasants' enthusiasm in production. Therefore, perfecting and developing the unified, socialized service system in rural areas is the key to the perfection of the rural two-tier management structure and is also an objective requirement of peasants. Peasants have found that production and management within individual households cause a lot of inconvenience. For example, it is time- and energy-consuming for individual households to look for and purchase means of agricultural production; technical guidance is lacking, whereas peasants need the assistance of science and technology; it is also difficult for them to sell their agricultural and side-line products entirely on their own; organization and coordination are needed on matters such as distribution of water and electricity. In a word, when land has been contracted out to individual households and peasants' enthusiasm in household management has been aroused, the advantage of unified services will give a perfecting touch to the rural management structure. This two-tier management system may also be regarded as the integration of "unification" and "division," such as the integration of peasants' enthusiasm in the household contract system with the social benefits of unified services.

At present, the most urgent task is to strengthen the unifying process, which does not mean a retreat to the



old practice of collectivization and "eating from a common pot" but a step forward toward unified, socialized services. And this process should keep with the objective demand of the present development of productive forces in rural areas, but not by putting things together regardless of their incompatibility.

In the past two years, I visited rural areas in some provinces and municipalities. My impression is that the demand of the peasants for a functional two-tier management structure is mounting day by day. This is on no account a fortuitous phenomenon: It is in fact a demand of the productive forces on production relations. This should arouse wide concern in the vast rural areas.

### **I. Basic Contents and Organizational Form of Socialized Service System**

My recent investigation in Guan County, Hebei Province, shows that the existing rural socialized service systems are usually at village, township, and county levels.

At the village level, there are:

Agricultural machinery associations. In Guan County, there are 421 villages and 486 agricultural machinery associations (two in some big villages). They practice five "unifications,"—namely of contracts with peasants, of quality standards of work performed, of charges, of diesel oil supplies, and of coordinated operations;

Agricultural technicians, whose chief responsibility is on-the-spot guidance;

Power supply technicians, responsible for fee collection and the upkeep of wires;

Foresters, responsible for offering technical guidance on growing timber trees and fruit trees;

Epidemic prevention veterinarians responsible for epidemic prevention for livestock and poultry;

Well coordinators, who coordinate the use of water on farmland irrigated with well water;

Cultivation associations, such as for cultivation of melons and vegetables. They are mainly responsible for technical guidance and various sorts of services, purchases of timber for making sheds, acquisition of melon and vegetable seeds, and popularizing new varieties.

Service organizations at the village level are mostly run by peasants under village committees. The leadership for the service organization (or economic union, as it is sometimes called) is the same as for the village committee: The village head also heads this organization.

Service organizations at the township level mainly have:

Agricultural machinery centers or unions, responsible for setting standards for agricultural machinery services, supply and repair of parts and components, and supply of diesel oil;

Melon-vegetable cultivation service centers. Services rendered include technical service: providing on-the-spot technical guidance, inviting skilled people to give lectures, and summing up and popularizing worthy experiences; and material service: supplying seeds, buying and supplying some chemical fertilizers and farm chemicals, and promoting postproduction sales;

Agrotechnical stations, responsible for redistributing fine varieties, popularizing new techniques, and offering technical guidance;

Science and technology popularization associations, responsible for bringing up model households and disseminating model experience;

Power supply cooperatives, under the management of power supply departments and in connection with power supply technicians in villages, responsible for the supply of parts and components and raising money to develop power supply;

Water conservancy service stations, mainly responsible for building water conservancy works on farmland, conducting construction surveys, exercising quality control, collecting charges for water supply, and measuring for well-sinking in villages and issuing certificates;

Foresters, responsible for making plans for timber growing and rendering technical service for fruit growing;

Veterinary stations, responsible for epidemic prevention for livestock and poultry and the cultivation and popularization of fine breeds of livestock and poultry.

All service organizations at township level, except melon-vegetable service centers, are run by township authorities.

Service organizations at the county level are mainly under the system of agrotechnical group contracts, in effect, a form of comprehensive services. In Hebei Province, service organizations under technical contracts normally take the form of three integrations:

Integration of technicians and administrative leaders;

Integration of technology and relevant departments handling goods and materials;

Integration of all sorts of science and technology for agricultural purposes.

Last year, 340,000 mu of land was contracted out in the form of technical contracts in Guan County. This unified, socialized service system has three features:

First, a service network comes into being. For example, there is a general agricultural machinery station at the county level, agricultural machinery unions at the township level, and agricultural machinery associations at the village level, which provide services for agricultural machinery at all levels.



Second, two forms of operation by local people and by government continue to coexist, the former being at the village level and the latter mainly at the county and township levels. Both are indispensable. There is a high level of flexibility in locally-run services that assume sole responsibility for their profits and losses and are free to adjust their scales according to reality. For government-run services, there is a secure supply of technical strength, goods, materials, and funds. In some service organizations, there are cadres who depend on government finances and also peasants who are responsible for their own profits or losses. These organizations are half government-run and half locally-run. Carrying on this practice of "walking on two legs" conforms to the present level of rural productivity.

Third, the ultimate goal is to provide service for peasants and for operations under household contracts. These services are either free of charge or very cheap. For instance, in some melon-vegetable service centers, only a small charge is made for purchasing vegetable seeds or goods and materials for agricultural use to cover price disparities and expenses of the staffs.

Facts have shown that, after land is contracted out to individual households, cadres are not unoccupied and peasants still need cadres. Organization and management of the unified, socialized service systems at all levels are chiefly the responsibility, which is very heavy, of cadres.

## II. Socialized Service System at Township Level Should Be Highlighted

Townships and villages are the forefront of agricultural production. With its own finances, a township has a certain economic strength. A township is also an organ of power at a level bridging county and village, with various developed professional departments and concentrated technical strengths. Therefore, it has many favorable conditions for establishing a unified service system. We may say that the township is the most important link in the entire service system. Although services at the village level give more direct help to peasants and some associations and societies in villages have much to offer, the conditions there are still inferior and their technical strength is not strong enough. For this reason, the focus of a socialized service system should go to the township level at present. With this as a basis, new conditions should be gradually created to bring up the standard of village-level services.

## III. The Role of Socialized Service System

Good agricultural harvests have come to Guan County, Hebei Province, for 11 years running since 1978. Last year, the per-capita income there was 661 yuan and the per-capita share of grain was 1,100 jin, making up the total grain output of 389 million jin. When explaining why the grain yield had increased, they underlined the role of the two-tier management structure. I visited Dayangxianwu Village. The per-capita income (over 700 yuan) in this village ranked first in the county in 1985. In

1988, this figure rose to 819 yuan, second in the county; in 1989, the per-capita income reached 873 yuan, back to the first place. This village has instituted the two-tier management structure and has well-organized socialized services.

In view of the practice in this village, major contributions that socialized service systems make include:

### 1. Strengthening technical guidance and promoting the development of productive forces.

As a result of good services before, in the process of, and after production, and prompt, sufficient material supplies and technical guidance, high economic returns are yielded. In technical guidance, for instance, each household is given a "reminder" on which things like seeding timetables, amount to sow, irrigation timetables, amount of water to be used in irrigation, and formulas to follow in fertilizing are put down in black and white.

### 2. Helping raise the quality of peasants.

Under household contracts, material investment and technical input should be increased. With two-tier management and socialized services, peasants have started to depart from traditional farming methods. Guan County has a plant hospital where technical advice is available for many peasants at any time. Service organizations in the county, townships, and villages pay close attention to technical training for peasants, either through on-the-spot guidance or lectures by guest speakers. Peasants are eager to attend such training. This plays an important role in upgrading peasants' quality.

### 3. Bringing cadres and masses closer to each other.

Cadres at county, township, and village levels in Guan say that in the past, much was demanded of peasants while little was offered to them. Therefore, the masses always tried to avoid cadres. With the two-tier management, however, cadres mainly consider what to offer to peasants and how to help them solve practical problems. They agree that in their work today, prior thought is given to how to do practical things for peasants.

### 4. Benefiting the building of political power at township and village levels.

The development of service organizations means development of collective economy at township and village levels. In some townships or villages, apart from enterprises run by township or village authorities, there is a moderate amount of management over agricultural production in a collective form. The resultant collective accumulation funds may cover some expenses borne by the peasants. Their burden lessened, peasants will be able to invest more in agriculture and readily turn over more grain to the state. Consequently, the relationship between cadres and masses is improved. In a word, economy is the basis and political stability is possible only when economy steadily moves on.

Villager committees are responsible for administrative management on the one hand and, on the other, they exert more efforts to serve the peasants in their production activities. This marks a significant improvement on the working style of the cadres. Various sectors and departments in townships are brought under a unified, socialized service system, thus enlivening all professions and causing ideological changes in the workers in these professions. This is crucial to strengthening the building of political power in townships and villages.

#### **IV. Perfecting and Developing the Rural Two-Tier Management Structure Sets the Orientation for Deepening Rural Reform**

Generally speaking, two-tier management in rural areas has just made a start and is still at the initial stage. Socialized service organizations are far from perfect. Nevertheless, it is the way forward for the rural reform and development in our country. What shall we start with when deepening the rural reform? The right way is most probably to establish, consolidate, perfect, and further develop a two-tier management structure and do a good job in socialized services. In fact, most of the agriculturally developed countries in the world practice socialized services.

At present, the following problems need to be studied and settled:

1. The problem of understanding. One cannot assume that as land is contracted out to households and every peasant has the knowledge of farming, enthusiasm in household operations alone will suffice. Without socialized services, many problems concerning household operations will be hard to solve and it will be difficult to bring into play, consolidate, and maintain the initiative of households. Besides, strengthening the close relationship of the party and government with the masses should not remain on our lips. We should truly give thought to what the masses think about and be eager to meet their needs. In rural areas, we should provide good services for operations under households contracts. These are visible and tangible actions that the masses can substantially benefit from and that must be carried out—they are not something optional.

2. The problem of regionalized farming. At the initial stage of the household contract system, the land was scattered in many plots. This has caused management problems for the peasants and much inconvenience to the unified, socialized services in particular. Even water and power supplies have become problematic. Dayangxianwu Township of Guan County reshuffled plots of land in accordance with the wishes of the masses in September 1988, converting the three, five, or even a dozen plots for each household to one to three plots. This way, farming in this township is regionalized and there is a grain crop zone, a cash crop zone, and a vegetable-growing zone. This arrangement facilitates watering, power supply, insecticide spraying, and surveillance.

This practice is under the precondition that the household contract system of responsibility linked to production does not change and no considerable change is made to the acreage of contracted land. Land is divided in a unified way and still contracted out to households, with a view to helping unify socialized services. The principle of catering to peasants' own free wills should be upheld and this practice should not be forcibly pushed through.

Some townships that cannot regionalize farming for the time being turn to a service-card system. When spring comes, each peasant makes a list on a card of his problems and difficulties that need to be settled with the help of the village or township. The service organization in the village or township may consider these matters in advance and set about seeking the source of relevant goods to ensure timely supply. If it is beyond the ability of the service organization, the household concerned will be informed so that they may prepare for themselves. This has also proved effective and it is a practice in Niotou Township of Guan County.

3. The problem of agricultural capital goods supply. The socialized service organizations in townships and villages should have some agricultural capital goods at their disposal or be able to help buy them in time when peasants need them. But the problem at present is that some agricultural capital goods are either in short supply or too expensive, leaving some service organizations impotent.

4. The problem of rural supply and marketing cooperatives. Rural supply and marketing cooperatives have extensive contacts with the masses, numerous branches, large staffs, complete fittings, means of transportation, and some "agricultural experts." They played a prominent role after the founding of the People's Republic, especially in the early days of new China, and in the 1950's and early 1960's. Since the household contract system went into effect, especially in recent years, supply and marketing cooperatives have made great contributions in unified management of agricultural capital goods and in agricultural services. For example, some cooperatives have done a good job in helping peasants with soil survey and fertilizing. Nevertheless, the role of some rural supply and marketing cooperatives in the entire network of socialized services is very limited. As mass organizations, they should not engage in pure transactions, much less aiming at making a profit. They should concentrate on serving agricultural production. This is a problem demanding a good, prompt solution.

#### **Anti-Erosion Plan for Yangtze Region Announced**

*HK0805022090 Beijing CHINA DAILY in English  
8 May 90 p 1*

[By staff reporter Wang Deng'ai]

[Text] China has started to build up a green shelter belt along the upper and middle reaches of the Yangtze River to stem worsening soil erosion.

Minister of Forestry Gao Dezhan announced in Beijing yesterday that the project will cover 145 counties of nine provinces through which the river runs.

The project, the first phase of a 30 to 40-year programme, aims to protect the environment and clear up the river by afforesting 20 million hectares of trees in the river covered area, said the minister.

The first phase of the project, which is supposed to be completed by the year 2000, will plant 6 million hectares of trees.

The Yangtze River, also known as Changjiang, is the longest river in China.

For many years, too many trees were cut as timber of fire-wood by timber industries and farmers. And soil erosion increased from 360,000 square kilometres in the 1950s to 560,000 square kilometres in the 1980s.

About 2.2 billion tons of soil were lost each year. And 15 percent of the land in the upper reaches of Wujiang River branch are bare stones without soil.

If no methods are adopted to control soil erosion, half of the area's farmland will be lost in about 50 years.

In some places, river beds rose more than 10 metres. And floods, drought and mud-rock flows have become the three major natural disasters in the area.

Natural disasters have cost billions of yuan annually in the past 30 years. And the nine provinces in the upper and middle reaches of the river lose 9.5 billion kilograms of grain each year because of natural disasters.

The first phase of the project was approved by the State Planning Commission in June last year and has been started in 39 counties.

This year, the central government has allocated 22 million yuan (\$4.6 million) and local governments invested about 30 million yuan to start the project in the 145 counties involved.

When the first phase completes, 74,000 square kilometres of soil erosion is expected to be under control.

The forests can also produce a yearly 2.8 million cubic metres of timber and 9.6 million tons of firewood. They can also benefit agricultural and industrial production in the middle and lower reaches of the river.

At a recent meeting in Hubei Province, forestry officials from the nine provinces involved promised to do a good job, Gao said.

The river area produces 40 percent of the country's industrial production value and 45 percent of the country's light industrial production value. The area also produces half of the country's steel.

Agricultural production value in the river area constitutes 34 percent of the total in the country, with 55.7 percent of the country's rice output, 57 percent of cotton output and 60 percent of the country's freshwater fish.

### Seminar on Agricultural Development Ends

OW0705135190 Beijing XINHUA Domestic Service in Chinese 1329 GMT 23 Apr 90

[By reporters Wang Yi (3769 3015) and Sun Yinglan (1327 5391 5695)]

[Text] Chengdu, 23 Apr (XINHUA)—The national three-dimensional agricultural development and popularization seminar, which ended in Sichuan Province's Miyi County on 22 April, adopted a proposal on developing three-dimensional agriculture in China. More than 300 experts and scholars at the seminar proposed that China should develop three-dimensional agriculture.

Three-dimensional agriculture is a high-yielding and highly efficient form of intensive agricultural production that utilizes three-dimensional farming and breeding or the combination of three-dimensional farming and breeding the the good use of heat, space, and time conditions to set up multilayered coordination for the coexistence of various kinds of living things in a certain region or land area. According to available information, three-dimensional agriculture has begun to demonstrate its role in some areas in China where this form of agriculture was started fairly early. For example, in Sichuan Province's Miyi County, after five years of experimentation, its revenue has risen 1.3 times, and the net income of the peasants has increased nearly 2 times.

In view of this progress, the experts and scholars proposed that a number of different demonstration zones for the comprehensive development of three-dimensional agriculture be established in a planned way and that comprehensive development of three-dimensional agriculture be made an important part of the current effort of upgrading agriculture through science and technology in China.

## East Region

### Anhui Province Holds Trade Talks in Fujian

OW0305225790 Beijing XINHUA in English  
1406 GMT 3 May 90

[Text] Xiamen, May 3 (XINHUA)—Trade officials from east China's Anhui Province held talks on foreign investment in Xiamen, a port city in south China's Fujian Province, today.

The Anhui officials listed 120 areas for investment, including electrical appliances, light industrial products, textiles and clothing.

An Anhui official said foreign investors will enjoy preferential treatment in taxation, land use and the supply of energy and raw materials.

The province has approved more than 300 joint ventures, solely foreign-invested and cooperative enterprises over the past 10 years. The contracts call for a total investment of 500 million U.S. dollars. One hundred thirty of the enterprises have already begun operations.

The trade talks will last for five days.

### Anhui Province 1989 Statistics Communique

OW3004030490 Hefei ANHUI RIBAO  
in Chinese 3 Mar 90 p 2

[Communique on statistics of 1989 economic and social development—by the Statistical Bureau of the Anhui Provincial People's Government]

[Text] In 1989, under the correct leadership of the provincial party committee and the provincial government, the people of this province achieved remarkable success in implementing the policy of the CPC Central Committee and the State Council of improving the economic environment, rectifying the economic order, and deepening reform. On the whole, the national economy developed favorably as consumer demand was effectively controlled, supplies continued to increase, price increases declined remarkably, major ratios between various economic sectors improved to varying degrees, and the volume of foreign trade continued to grow. Meanwhile, new achievements were recorded in education, science and technology, culture, public health, and physical culture and sports. According to initial calculations, the annual gross national product [GNP] reached 57.5 billion yuan, an increase of 5 percent over 1988. The national income was 49.5 billion yuan, 4.5 percent more than the previous year. However, major problems in Anhui's economic development still exist. Some deep-rooted problems, which have accumulated over the past several years and have affected economic stability, have not yet been fundamentally solved. New unavoidable problems have cropped up in the current macroeconomic retrenchment process. They include a sales slump in the market, under-capacity

operation in some enterprises, decrease in economic results, and increasing employment difficulties.

### 1. Agriculture

In 1989, party committees and governments at all levels in this province attached more importance to the development of agriculture, and took a series of measures to mobilize the peasants' enthusiasm for production. Therefore, there was greater economic development in rural areas. The total agricultural output value in 1989 reached 16.66 billion yuan, up 2.1 percent over the previous year. Of this, total output value of farming increased 1.7 percent, forestry increased 5.8 percent, animal husbandry increased 1.4 percent, sideline products increased 12.5 percent, whereas fishery decreased 6.4 percent.

Among the output of major agricultural products, grain enjoyed another year of rich harvest since 1987. Output of autumn grain even topped the best record in history, thereby achieving the goal of "complementing the insufficiency of summer grain with autumn grain" set by the provincial party committee and the provincial government. Output of oil-bearing crops, silkworm cocoons, and jute and ambary hemp all grew by varying degrees as compared with 1988, but the output of cotton and cured tobacco plunged considerably. Output of tea and fruit also decreased somewhat.

The yield of major agricultural products was as follows:

	1989	Percentage Increase over 1988 (metric tons)
Grain	24,246,000	5.0
Cotton	170,000	-17.8
Oil-bearing crops	1,017,000	16.5
including peanuts	270,000	-6.1
rapeseed	685,000	36.4
sesame	59,000	-33.3
Sugarcane	90,000	0.6
Jute, ambary hemp	277,000	6.0
Cured tobacco	68,000	-24.1
Silkworm cocoons	15,000	13.1
Tea	51,000	-6.8
Fruit	278,000	-2.6

The province afforested 85,000 hectares of land, basically at the same level as last year, but the quality improved somewhat. Major forest products including tung-oil seeds, tea-oil seeds, walnuts, and Chinese chestnuts increased by more than 10 percent.

Animal husbandry developed steadily. The number of live and slaughtered pigs increased. Production of major products including meat, egg, and milk continued to rise.



The output of major animal byproducts and livestock was as follows:

	1989	Percentage increase over 1988
Pork, beef and mutton	904,000 metric tons	4.1
of which:		
pork	798,000 metric tons	3.1
beef	76,000 metric tons	9.3
mutton	30,000 metric tons	20.2
Milk	27,000 metric tons	2.3
Wool	883 metric tons	-24.0
Pigs slaughtered	9,749,000 head	3.2
Pigs at year's end	12,476,000 head	2.3
of which:		
breeder sows	757,000 head	-0.4
Sheep at year's end	4,375,000 head	5.1
Large animals at year's end	5,402,000 head	3.0

Fishery continued to expand. The output of aquatic products in 1989 was 282,000 metric tons, up 16,000 metric tons or 6.0 percent over the previous year.

Conditions for agricultural production continued to improve. By the end of 1989, the aggregate capacity of farm machinery in the province reached 12,245,000 kilowatts, a 6.6-percent increase over the previous year. There were 516,000 tractors of various sizes, a 13.6-percent increase; 25,000 farm trucks, up 3.7 percent. The total capacity of irrigation and drainage equipment for farming was 2.857 million watts, up 2.9 percent. A total of 1,372 million metric tons of chemical fertilizer (in terms of 100 percent active ingredients) were applied, up 8.4 percent. Consumption of electricity in rural areas was 2.16 billion kilowatt-hours, up 9.3 percent. Much was done in building farmland capital construction and water conservancy projects, but agriculture was still weak in its ability to deal with natural disasters, and the system of agricultural services still left much to be desired.

New progress was made in the rural economy as a whole. Initial calculations revealed that in 1989 the total output value created by rural areas was 58.67 billion yuan, 12.3 percent more than the previous year. The output value of industry, construction, transportation, and commerce in rural areas increased by 19.8 percent, accounting for 42.3 percent of the total rural output value, up from 39.6 percent in 1988. The total agricultural output value accounted for 57.7 percent of the total rural output value, down from 60.4 percent in 1988.

## 2. Industry

In 1989, industrial production in our province maintained a moderate growth after overcoming various difficulties such as energy and capital shortage and market depression. The annual total industrial output

value in the province was 44.1 billion yuan, an increase of 10.4 percent over 1988. Industrial output value at and above the township level was 35.36 billion yuan, an increase of 8.7 percent, obviously lower than that of the previous year. Of this, light industrial output value was 19.38 billion yuan, an increase of 9.1 percent over the previous year while heavy industrial output value was 15.98 billion yuan, an increase of 8.4 percent. Of the total industrial output value at and above the township level, the output value of state-owned industry was 23.45 billion yuan, an increase of 6 percent over the previous year while that of collective-owned industry was 11.78 billion yuan, an increase of 15 percent (of which township-run industries showed an increase of 27.7 percent).

The output of major industrial products was as follows:

	1989	percentage increase over 1988
Cotton yarn	180,000 metric tons	2.9
Cloth	739,130,000 meters	0.6
Silk	1,508 metric tons	14.2
Silk fabrics	31,070,000 meters	13.9
Woollen piece goods	3,890,000 meters	2.7
Knitting wool	5,350 metric tons	18.8
Machine-made paper and paper board	374,000 metric tons	2.7
Cigarettes	2,172,000 packs	4.4
Chemical pharmaceuticals (24 big categories)	5,303 metric tons	-15.4
Bicycles	1,064,000	-16.0
Sewing machines	222,000	10.9
Wristwatches	1,110,000	22.2
Television sets	669,000	12.1
Tape recorders	30,000	-75.2
Household washing machines	281,000	-0.6
Household refrigerators	259,000	24.0
Electric fans	1,104,000	11.0
Energy production (in terms of standard fuel)	22,721 million metric tons	2.1
Coal	31,157 million metric tons	2.1
Electricity, of which	17.29 billion kwh	-2.8
hydroelectricity	1.15 billion kwh	2.5
Pig iron	2,729,000 metric tons	-0.7
Steel	2,210,000 metric tons	5.8
Rolled steel	1,710,000 metric tons	0.6
Coke	2,470,000 metric tons	-0.5
Sulphuric acid	555,000 metric tons	13.8
Soda ash	51,000 metric tons	96.1
Caustic soda	82,000 metric tons	5.1

Chemical fertilizers (in terms of 100 percent active ingredients)	1,013,000 metric tons	11.8
Farm chemicals	4,896 metric tons	25.5
Cement	8.182 million metric tons	-11.7
Plate glass	1.753 million boxes	70.9
Machine tools	3,981	-0.9
Motor vehicles	4,739	-25.3
Internal combustion engines	2.07 million kilowatts	25.2
Small tractors	56,000	-4.8

Of the major industrial products, 76.8 percent made steady improvement in their quality. In the 1989 national quality award competition, Anhui Province was honored with two national quality control awards, two gold quality awards, and nine silver quality awards. In all of last year, it received 203 ministry-level quality product awards and selected 391 products of excellent quality.

Energy conservation and waste reduction also showed results. For industrial enterprises at and above the county level throughout the province, the general energy consumption rate was 5.27 metric tons of standard coal per 10,000 yuan worth of products. The annual energy conservation rate was 5.7 percent, resulting in a total saving of 982,000 metric tons of standard coal. One hundred eighty-nine high energy consumption enterprises that consumed more than 10,000 metric tons of standard coal per year managed to reduce their per 10,000-yuan general consumption rate by 4.3 percent from the previous year's level, allowing an annual total saving of 511,000 metric tons of standard coal.

Labor productivity also increased somewhat. Per capita productivity of financially independent state-owned industrial enterprises was 17,024 yuan, an increase of 4.1 percent over the previous year.

Due to slow sales of products, downward reversion of production speed, and inefficient management control, some of the industrial enterprises' economic efficiency indices dropped. In 1989 the total amount of profits and taxes delivered by budgeted state-owned industrial enterprises in Anhui was 2.49 billion yuan, a mere 0.5-percent increase over the previous year. The turn-over period for working funds was prolonged to 127 days from 112 days of the previous year. Production cost of comparable products shot up 19.7 percent. The number of enterprises in the red increased to 244 from the previous year's 162, and the amount of losses incurred escalated by 65.5 percent.

**3. Investment in Fixed Assets and the Building Industries** The scale of investment in fixed assets was effectively controlled. In 1989 the province's completed fixed assets investment totaled 11.2 billion yuan, a decrease of 2.44 billion yuan or 17.9 percent from the previous year. Of the total investment, 5.99 billion yuan went to state-owned enterprises, an 8.5-percent decrease; 1.22 billion yuan to collectively owned enterprises, a decrease of 34.4 percent; and 3.99 billion yuan to private enterprises, a decrease of 23.7 percent. Efforts to clean up matters pertaining to fixed assets investment showed progress. In 1989, 549 projects across the province were either postponed or suspended, and investment size was scaled back by 1.23 billion yuan.

Capital construction investment in state-owned units was 3.52 billion yuan, a decrease of 6.1 percent from the previous year. Of the total investment, construction of projects for production purposes accounted for 2.72 billion yuan, or 77.3 percent, up from 75.7 percent in 1988; construction of non-production projects was allotted 800 million yuan, or 22.7 percent, down from 24.3 percent in 1988. The investment structure was improved. The emphasis of investment was tilted toward agriculture, energy, transportation, posts and telecommunications, and education. Of the total provincial investment in capital construction, investment in energy industry accounted for 1.27 billion yuan, or 36.1 percent, up from 34.8 percent in 1988; investment in transportation, posts and telecommunications departments accounted for 470 million yuan, or 13.5 percent, up from 11.0 percent in 1988; investment in educational departments accounted for 100 million yuan, or 2.9 percent, up from 2.1 percent in 1988; and investment in departments of agriculture, forestry, water, and gas accounted for 370 million yuan, or 10.5 percent, basically the same as the previous year. Altogether in 1989, a total of 975 capital construction projects were completed and put into production, creating an additional 3.24 billion yuan of investment in fixed assets.

Construction of important projects continued to be reinforced. The 28 important projects under evaluation soaked up a total of 1.31 billion yuan of investment in 1989. Of the 12 capital construction projects and single items of larger projects that were planned to commence production in the same year, nine were completed or delivered for use. The completion of a number of major projects provided reinforced Anhui's sustained capability to accomplish modernization.

Technical renovation and transformation was geared toward improving internal quality. A total of 2.26 billion yuan was invested in technical renovation and transformation for state-owned units, a decrease of 10.4 percent from 1988. Of the total, 1.17 billion yuan was invested in new construction and expansion projects, which represented a 33.8-percent decrease over the previous year and accounted for 51.9 percent of the total investment as against 70.1 percent in 1988; investment in reconstructed projects was 990 million yuan, which represented an increase of 58.6 percent over the previous year and amounted to 43.8 percent of the total investment as

against 24.8 percent in 1988. For the whole year, a total of 713 projects of technical renovation and transformation were completed and put into production, yielding an increased investment of 1.72 billion yuan in fixed assets.

The contract responsibility system was applied in 1,937 projects undertaken by local state-owned construction enterprises, with a total construction area of 3.13 million square meters, accounting for 77.0 percent of the province's total. As the scale of investment was brought under control, state-owned construction enterprises were facing the problem of insufficient tasks. However, with perseverance, the total output value of the construction industry still managed to reach 2.46 billion yuan, basically the same level as in 1988, with per capita labor productivity, calculated in terms of total output value, reaching 10,445 yuan, an increase of 4.8 percent over 1988.

#### Transportation, Post, and Telecommunications

Transportation capacities were enhanced continuously. In 1989, there were 30,075 km of motorized roads in the province, an increase of 1,408 km over the previous year, of which 26,908 km were usable under all weather conditions, an increase of 1,113 km as compared to the previous year. Navigable inland rivers amounted to 6,003 km. Due to further shrinking of investments, transportation volume was down somewhat in 1989. However, the annual plans for cargo and passenger transport volume were overfulfilled, thereby ensuring the transportation of important materials such as coal, steel, timber, and grain; of specific items in support of agricultural production, rescue operations in disaster areas, and preparedness against war; and of related personnel. Transportation safety was further improved. The volumes of transportation by the various means of transportation under the local transport departments (including various traffic organizations) for all of 1989 are as follows:

	1989	Percentage increase over 1988
Cargos	9.95 billion ton-km	-8.0
of which:		
highway	3.14 billion ton-km	-4.1
waterway	6.81 billion ton-km	-9.7
Passengers	10.63 billion person-km	-0.3
of which:		
highway	10.56 billion person-km	-0.2
waterway	700 million person-km	-16.5

Due to efforts made by transport departments, the transportation market was rectified and public transport capabilities were kept well under control.

With the continuous development of post and telecommunications, total business volume in post and telecommunications in the province for 1989 amounted to 153,459 million, an increase of 14.0 percent over the previous year. Among the various services offered, mail increased by 1.2 percent, newspapers and magazine subscriptions and sales were down 28.4 percent, telegrams were down 8.3 percent, long-distance telephone calls were up 7.0 percent, and express mail was up 3.9-fold. Revenues from stamp collecting increased by 36.8 percent. The year end number of telephone subscribers in urban areas reached 112,000, an increase of 17.1 percent, while telephone subscribers in rural areas numbered 30,000, an increase of 8.7 percent. The automatic telephone dialing system in urban areas had a service capacity of 145,000 lines, accounting for 87.4 percent of the total capacity in the urban area. Out of that, 27,000 lines were used with telephone exchange systems, an increase of 23.9 percent. Long-distance business telephone lines increased by 531, of which 503 lines were fully automatic. A total of 15 prefectures and cities installed facilities for long-distance automatic dialing. The degree of automation in post and telecommunications was greatly enhanced.

#### 5. Domestic Commerce, Supply, and Marketing

The market situation underwent a fairly big change. Commodity sales changed from excessive growth in 1988 to partial sluggishness in 1989. In 1989 the value of retail sales of social commodities totaled 27.51 billion yuan, a 9.2-percent increase over the previous year; but by taking inflation into account, it was actually a reduction of 6.7 percent over 1988. This was a rare phenomenon in the past few years. Of the total, the volume of retail sales of means of agricultural production was 5.07 billion yuan, up 18.1 percent; and of consumer goods, 22.44 billion yuan, up 7.4 percent. Institutional purchasing power was under control. The value of consumer goods sold to institutions in 1989 was 1.66 billion yuan, down 2.9 percent from 1988.

A breakdown of the retail sales of various kinds of consumer goods shows that food rose 9.0 percent over 1988, clothing went up 5.6 percent, and articles of daily use went up 7.3 percent; but if inflation is taken into account, food, clothing and articles of daily use were down 3.4 percent, 11.0 percent, and 11.6 percent respectively. The retail sales volume of quite a number of consumer goods showed a dramatic decrease. Retail sales of television sets, tape recorders, washing machines, and refrigerators showed an increase of 15.2 percent, 21.4 percent, 46.1 percent, and 34.3 percent respectively over 1988; cotton, synthetic cloth, silk, and garments showed a decrease of 15.6 percent, 13.4 percent, 26.6 percent, and 20.9 percent respectively.

The demand for means of production decreased. In 1989, sales volume of materials departments across the province was valued at 5.2 billion yuan, only 0.3 percent more than the previous year. Total business volume of materials trade centers was 560 million yuan, down one



percent from last year. Materials departments sold 733,000 million metric tons of rolled steel, down 16.2 percent from 1988; 9.15 million metric tons of coal, down 7.8 percent; and 940 million yuan of machinery and electrical equipment, down 24.1 percent.

The excessive increase in market prices was controlled. The general retail price level of the province in 1989 went up 17.1 percent over the previous year. The margin of increase was down 4.7 percent compared with that in 1988, and was lower than the target set by the province early this year for controlling retail prices. The general retail price level in urban areas increased 15.3 percent, while the level in the countryside rose by 18.6 percent. A breakdown of commodity prices shows that food rose by 12.8 percent. Since results of the "vegetable basket" project were good, the price index of nonstaple foods dropped by a wide margin, and was 23.1 percent lower than that of the previous year. Among nonstaple foods, the price index for meat, poultry, and eggs went up 15.9 percent, and the margin of increase was down 26.7 percent compared with the previous year. Prices of fresh vegetables went up 1.6 percent, and the margin of increase dropped 46.8 percent from the previous year. Prices of aquatic products went up 17.4 percent, and were 14.1 percent lower than the previous year in terms of the margin of increase. Prices of clothing were up 18.6 percent; articles of daily use, up 15.2 percent; medicine and medical equipment, up 16.8 percent; fuel, up 7.9 percent; articles for educational and recreational use, up 22 percent; books and journals, up 100 percent; construction materials, up 24.5 percent; and means of agricultural production, up 21.7 percent.

In 1989, first-time price hikes in the general retail price index amounted to 8.6 percent, markedly lower than the 18.8-percent level in the previous year.

In 1989, the cost of living for urban staff and workers increased 15.7 percent, lower than the 21.4-percent increase in the preceding year.

#### 6. Foreign Economic Relations and Trade and Tourism

Foreign trade continued to grow. In 1989, total volume of import and export of the province amounted to \$690 million, down by 1.9 percent from the previous year. Exports totaled \$570 million, up 2.9 percent over the previous year, while imports totaled \$120 million, down 19.5 percent from the previous year. Export commodities for all of 1989 amounted to 2.18 billion yuan, up 6.2 percent over the previous year. Among export commodities, agricultural and sideline products amounted to \$143 million; light industrial products, \$304 million; and heavy industrial products \$123 million, accounting respectively for 25.1 percent, 53.3 percent, and 21.6 percent of the total export volume. Compared with the preceding year, the proportion of agricultural and sideline products was down by 4.7 percent; light industrial products, up 3.6 percent; and heavy industrial products,

up 1 percent. All this indicates that structural readjustment for export commodities of this province has improved.

In 1989 Anhui Province continued to carry out its policy of opening to the outside world. A total of 34 new agreements on direct investment, worth \$6.14 million, were signed with foreign businesses in 1989. The actual investment made by foreign businessmen during the whole year was \$82.65 million, including \$73.9 million of borrowed foreign capital, \$4.78 million of direct foreign investment, and \$3.97 million of other investments from foreign businessmen.

Anhui Province signed a total of 13 contracts to undertake construction projects in foreign countries and provide labor and services overseas to a tune of \$18.28 million, a growth of 85.4 percent. The value of completed projects was \$5.63 million, a drop of 62.5 percent.

Although the total number of international tourist arrivals dropped, foreign exchange earned through tourism increased. For the whole year tourism departments played host to 33,000 visitors to Anhui Province, 42.2 percent fewer than the previous year. These visitors comprised foreigners, Overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan, who came here for vacation, visiting relatives, and other exchange activities. Foreign exchange earned from tourism registered a total of \$2.094 million, an increase of 25.4 percent over the previous year.

#### 7. Education, Science, Technology, and Culture

Education continued to develop. Provincewide enrollment at learning institutions of all types and at all levels was 9.045 million. Institutions of higher learning enrolled 64,000 students, 1,353 more than the previous year; secondary specialized schools had an enrollment of 79,000, an increase of 5,390; agricultural and vocational schools enrolled 155,000 students, up 2,334. Skilled workers' schools enrolled 44,000 students, up 375. Enrollment at ordinary secondary schools and primary schools was 2,162,000 and 6,539,000 respectively. The enrollment rate for school-age children increased to 97.9 percent from the previous year's 97.5 percent. Adult education at all levels continued to grow. Adult higher learning institutions enrolled a total of 53,000 people in various academic and professional courses; adult secondary technical schools enrolled 63,000; adult middle schools, 7,000 students; adult technical training schools, 175,000, while adult elementary schools enrolled 497,000 students.

Further advances in science and technology made new contributions to our province's economic development. In 1989, the province boasted 197 state-run natural science research institutions at and above prefectural and city levels with 140,000 scientists and technicians. Among the achievements scored by the province in scientific research, one was accorded the State Invention Award, four were accorded the State Award for Progress in Science and Technology, four won the State Sparkle



Award, 204 won the provincial award for progress in science and technology, and 23 were accorded the Provincial Sparkle Award. Outstanding results were made in helping the poor through science and technology. Enterprises across the province redoubled their efforts to develop new technology. In 1989, large and medium-sized enterprises set up 204 special research institutes for this purpose, 82 more than in 1988, and organized 978 technological development projects, an increase of 432 over the previous year.

The various cultural undertakings continued to grow. In 1989, the province boasted 4,737 movie projection teams, 101 art troupes, 14 public galleries, 103 cultural centers, 84 public libraries, 24 museums, and 118 archive centers holding 2.85 million copies of archives, of which 360,000 copies were provided for public review.

The province had a total of 15 broadcasting stations, 18 radio transmitters and relay stations, 20 television stations, and 40 television transmitters and relay stations with a capacity of above one kilowatt each. In 1989, Anhui printed 460 million copies of newspapers, 31.425 million copies of magazines, and 187.324 million books.

#### 8. Public Health, Sports, and Environmental Protection

Public health work and medical care continued to improve. By the end of 1989, health institutions throughout Anhui totaled 7,422, five more than the previous year, including 3,116 hospitals. Sickbeds in all types of medical centers totaled 106,000, an increase of 1,930 over 1988. This included 94,000 hospital beds, an increase of 1,514 over the previous year. There were 133,000 professional medical personnel, an increase of 2.4 percent over the previous year, of whom 58,000 were doctors (including 44,000 doctors of traditional Chinese and Western medicine), an increase of 7.1 percent over the previous year. Nurses numbered 30,000, an increase of 11.6 percent.

In sports, new successes were achieved. In 1989, athletes of Anhui Province won a total of 40 gold, 43 silver, and 50 bronze medals in major international and national competitions. In the Seventh World Cup Acrobatic Gymnastics Competition and the World Youth Acrobatic Gymnastics Tournament, Anhui won the world championship in the four-man group event. In shooting, achievements included setting two new world records and equaling another two, and setting two new Asian records and equaling another two. A total of 2,007 million people in the province fulfilled the requirements prescribed by the State Standards for Physical Culture and Sports Training. Athletes of various grades totaled 685, of which five were of international standard. Referees of various grades numbered 707. Sports activities of the masses became more active.

Steady progress was made in environmental protection. In 1989, 1,883 workers took part in the environmental protection network in the province, an increase of 9.1 percent over the previous year. The 804 sets of industrial

waste treatment facilities established in 1989 treated a total of 278.92 million metric tons of industrial waste. Forty-three dust control centers were completed, covering an area of 127.5 square km. A total of 84 noise pollution control areas were established, covering an area of 118.3 square km. There were eight wildlife conservation areas in the province with a total area of 962 square km.

#### 9. Living Standards

Consumer demand was properly controlled. According to a random survey of urban residents, in 1989, the average per capita income of residents in cities and towns spendable for daily living was 1,133.7 yuan, an increase of 16.1 percent over the previous year. With the rise in cost of living taken into account, the real income was slightly higher. [as published] With the minds of urban consumers set to rest, the consumption structure turned normal with income and expenditure basically balanced. However, there was a drop in the per capita real income of low-income families. The annual per capita net income of peasants was 515.7 yuan, an increase of 6.2 percent over the previous year. With the increase in spending on commodities factored in, the real family income of some peasant households actually decreased. Of the peasants' net income, the per capita productive net income was 477.9 yuan, an increase of 5.8 percent.

Urban and rural people were saving more money. By the end of 1989, deposits in savings accounts reached 11.88 billion yuan, 2.9 billion yuan more than in 1988, an increase of 32.3 percent. Of the total, 3.46 billion yuan came from rural people, an increase of 18.8 percent.

Urban employment increased. In 1989, a total of 169,000 urban people were employed, including youths and fresh graduates from universities, secondary specialized schools, and skilled workers schools who were assigned jobs by the state. By the end of the year, the number of workers in the province was 4,779 million, or 72,000 more than the previous year. Of these, workers working under labor contracts in state-owned enterprises reached 309,000 in number, an increase of 27,000. Urban self-employed workers numbered 360,000, a drop of 77,000 from the previous year. However, because of a reduction in social demand and the fact that some enterprises were operating under capacity, the number of job seekers in urban areas increased.

In 1989, the total annual volume of wages for workers in the province was 7.67 billion yuan, an increase of 12.6 percent over the previous year. Included in that figure were various bonuses and above-quota wages under the piecework system, which amounted to 1.49 billion yuan, an increase of 20.1 percent. Workers' per capita wage was 1,646 yuan, an increase of 10.2 percent over the previous year.

Social welfare continued to develop as well. Throughout the province in 1989, there were 2,273 welfare homes of various kinds, caring for 23,675 people, an increase of

4.4 percent and 6.1 percent respectively over the previous year. The number of childless elderly, handicapped, and infants under the collective care of society was 172,000. Poor families in urban and rural areas were given relief and support. Fresh results were made in helping the poor in old revolutionary base areas, mountainous areas, and poverty-stricken places achieve prosperity.

Further progress was made in the insurance business. In 1989, a total of 66.4 billion yuan worth of various types of property was insured throughout the province, an increase of 17.4 percent over the previous year. A total of 6.01 million families had domestic property insurance and 8.949 million people had life insurance. Property insurance services in the province dealt with 179,000 compensation requests and made payments totaling 140 million yuan. Insurance service offered protection to disaster-stricken enterprises, families, and individuals and helped them promptly resume business and production and make arrangements for daily living.

The living conditions of urban and rural people further improved. In 1989, a total of 35.309 million square meters of residential area were completed, of which 31.878 were in rural areas.

#### 10. Population

Anhui's birth rate in 1989 was 23.61 per thousand and the mortality rate, 5.92 per thousand. The natural growth rate increased from 15.20 per thousand of the previous year to 17.69 per thousand. By the end of 1989, Anhui's population was 54.69 million, an increase of 920,000 over 1988.

Notes:

1) The gross national product, national income, and total rural product of society listed in this communique were calculated according to the prices in the same year; the rate of increase was calculated according to comparable prices; and the total agricultural and industrial output value was calculated according to fixed prices.

2) Some figures in this communique are preliminary statistics.

#### Anhui Holds Meeting on Public Order

OW0705140890 Hefei ANHUI RIBAO in Chinese  
15 Apr 90 p 1

[Text] The provincial party committee held a Standing Committee meeting on 13 April to hear a report from the responsible comrade of its Political and Legal Commission on the current public order in the province and to study ways to further improve public order and safeguard social stability.

The meeting pointed out: Since last year, the party Central Committee has stressed on many occasions that safeguarding national and social stability is in the fundamental interest of the people throughout the country

and is the dominant political task for the whole party and nation. Without political, economic, and social stability, we are in no position to talk about reform and opening, about socialist modernization, and about work in various fields. Safeguarding stability is particularly important and urgent this year, a year of vital importance to improving the economic environment, rectifying the economic order, and deepening the reform.

After analyzing the province's public order, the meeting pointed out: The current political and economic situation throughout the province is generally stable. The people want stability, and public order in most areas is fairly good. However, we must realize that in the most recent period, crimes have steadily risen. In a few areas, grave cases of crime in which the life and property of the masses were seriously threatened have occurred one after another. The broad masses of people are deeply concerned about the public order and they have reacted strongly to this state of affairs. Public order directly affects social stability. In addition, it directly affects the smooth progress of our drive to improve the economic environment, rectify the economic order, and deepen the reform. Further, it directly affects the safety of every family. Therefore, it is an issue of great concern to the broad masses. Party committees at all levels should fully understand this point, take further steps to strengthen leadership, and mobilize every force of society to strengthen public order and safeguard social stability.

The meeting stressed: Party committees at all levels should attach great importance to this question and take concrete steps to strengthen leadership to improve the public order and safeguard social stability. They should regard improving public order and safeguarding social stability an important part of their efforts to implement the decision of the Sixth Plenary Session of the 13th CPC Central Committee on performing concrete service for the masses. Principal responsible comrades should personally attend to this task and mobilize people at every level to do it. They should take strong measures to bring about an improvement in public order throughout the province. Grave crimes of all kinds should be dealt with sternly and swiftly in accordance with the law. Forces should be organized in the very near future to take concerted action against criminal elements to deflate their arrogance. Concentrated efforts should be made to crack down on crimes and improve public order in areas where the problem is most serious. Typical cases should be selected for public trial to boost the morale of the masses and frighten the criminals. Departments and units should take concerted action under unified leadership of the party committee and government, fully mobilize and rely on the masses, and carry out effective comprehensive measures to improve public order. At present, we must pay special attention to grass-roots work, bring into full play the role of party organizations and organs of state power at the grass-roots level, establish and perfect different kinds of joint public security and crime prevention network and strengthen security and crime prevention work. We must take further steps

to implement the policy of "whoever in charge is responsible" and the system of responsibility in comprehensive crime control. The responsibility of the personnel concerned and their leaders should be investigated when problems of public order occur as a result of dereliction of duty.

The meeting pointed out: Departments on the public security, procuratorial, and judicial fronts are charged with the important responsibility of safeguarding stability and improving public order. Party committees at all levels should take further steps to strengthen and improve their leadership over the public security, procuratorial, and judicial work concerning political, ideological, policy, and organizational matters, and supervise and support the work of public security, procuratorial, and judicial departments. Public security, procuratorial, and judicial departments should fully recognize the important role and function of their work and take further steps to carry out the work of safeguarding social stability.

### **Jiangxi Commentary on CPC, CPPCC Sessions**

*HK3004115290 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 27 Apr 90*

[Text] The third plenary session of the seventh Jiangxi provincial People's Congress and the Third Plenary Session of the Sixth Jiangxi Provincial CPPCC Committee have finally drawn to a successful end. We warmly hail the successful conclusion of these two sessions!

The two sessions were held in a democratic, practical, united, and confidence-boosting atmosphere. All the deputies and members actively participated in the discussion of the provincial and political affairs at the two sessions.

The two sessions adopted the government work report made by Governor Wu Guanzheng and some other reports, summed up experiences in Jiangxi's economic construction, reform, and social development over the past year, and put forward the guiding ideology and tasks for the year 1990.

We believe that the two sessions will greatly encourage the broad masses of cadres and people in Jiangxi, promote political, economic, and social stability and development, and push ahead with Jiangxi's cause of reform and opening up to the outside world. At present, an urgent task facing all comrades in Jiangxi is to maintain and promote political, economic, and social stability and development. Political stability is the premise for overall social stability and development. Without a political situation of stability and unity and a stable social environment, it would be impossible to develop national economy, carry out reform and opening up to the outside world, and improve the livelihood of the people. So long as a high degree of national stability is maintained, we will be able to resist all types of external pressures and overcome all types of difficulties and our socialist cause

will certainly be able to win one victory after another. To this end, we should orient all our work toward maintaining and safeguarding political stability and exert our utmost to protect the good political situation of stability and unity in Jiangxi.

Since the conclusion of the Third Plenary Session of the 11th CPC Central Committee, we have steadfastly adhered to economic construction as the center and have significantly improved the livelihood of our people. Numerous fundamental changes have also taken place in all the old liberated areas in Jiangxi. The gratifying economic achievements we have scored over the past decade have fully borne out that only by making concentrated efforts to promote the development of Jiangxi's national economy will it be possible for us to demonstrate to the people the superiority of our socialist system, rally the broad masses of the people round the CPC Central Committee, and maintain and promote political, economic, and social stability and development in Jiangxi.

This year is the first year of the 1990's and also a year in which the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform will enter a crucial stage. This year, Jiangxi's economic work will mainly center on readjusting the existing structures and increasing the economic results. Agricultural stability and development is the foundation of national economic stability and development. Jiangxi is an agricultural province which has great potential in developing agricultural production. The people's governments at all levels must truly give top priority to agricultural development when carrying out economic work and make concerted efforts to push ahead with Jiangxi's agricultural development so as to bring about a steady growth in the production of grain, cotton, oil crops, and other major crops and bring about a comprehensive development of Jiangxi's agriculture, forestry, animal husbandry, sideline occupation, and fishery.

Jiangxi should make redoubled efforts to invigorate its market, rationally readjust its economic structure, greatly raise its economic results, maintain an appropriate growth of its industrial production, and persist in and improve its macroeconomic regulation and control of aggregate social demand. Party and government organs at all levels in Jiangxi should continue to carry out the building of a clean government and strive to forge closer ties with the broad masses of people with a view to creating a better environment for Jiangxi's development in the 1990's.

### **Jiang Chunyun Attends Provincial Meeting**

*SK0805003090 Jinan Shandong Provincial Service in Mandarin 2200 GMT 4 May 90*

[Excerpts] On the afternoon of 4 May, the Shandong Provincial CPC Committee sponsored the third report meeting on the theories of inheriting and developing the party's fine tradition in the auditorium of the Nanjiao Guesthouse of Jinan City.



Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, presided over the report meeting.

During the report meeting, Qin Hezhen, veteran comrade of provincial level organs, delivered a report entitled "Trusting and Relying on the Masses Represent the Fine Tradition and Political Strong Points of Our Party," which is composed of the following four parts: 1) The party's workstyle of establishing a close tie with the masses is decided by the character of the party in being the working class's vanguard; 2) the party's workstyle of establishing a close tie with masses and the flesh-and-blood relationship between the party and the masses were fostered in the circumstance of doing pioneering work arduously during the time of the revolutionary war and were tested through shedding blood and breaking through fire; 3) the dialectical relationship between the party's leadership and the mass movement; 4) whether the party is able to consistently maintain the flesh-and-blood tie with the masses will impose a severe test on the party in power and has a direct bearing on the rise and fall of the party and the country. [passage omitted]

Attending the report meeting on the afternoon of 4 May were leading comrades from provincial level organs, including Jiang Chunyun, secretary of the provincial party committee; and cadres at or above the section level from the provincial level organs—more than 700 persons in all.

### Activities of Shanghai's Zhu Rongji Highlighted

#### Attends Shanghai CPPCC Session

OW0705165090 Shanghai JIEFANG RIBAO in Chinese  
20 Apr 90 p 1

[Excerpts] The Third Session of the Seventh Shanghai Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] opened on the afternoon of 19 April in the central hall of the Shanghai Exhibition Center.

Xie Xide, chairman of the municipal CPPCC committee, presided over the session. Vice Chairmen Mao Jingquan, Zhao Chaogou, Xu Yifang, Tang Junyuan, Zhang Ruifang, Yang You, Yan Dongsheng, Wu Zengliang, Chen Mingshan, Zheng Lizhi, and Zhao Xianchu, as well as Secretary General Chen Fugen, were seated in the front row of the rostrum.

Zhu Rongji, Chen Guodong, Wang Daohan, Huang Ju, Wu Bangguo, Chen Zhili, Ni Hongfu, Zhang Dinghong, Zhao Qizheng, Wang Liping, Ye Gongqi, Chen Tiedi, Tan Jiazhen, Li Jiahao, Wang Chongji, Liu Zhenyuan, Ni Tianzeng, Xie Lijuan, Zhuang Xiaotian, Li Chuwen, Pa Zhongtan, Liu Xingwen, Huang Hengmei, Lu Naihe, Lu Linyuan, Gu Nianzu, Shi Zhusan, and Zhu Daren came to extend their greetings at the session and were also seated on the rostrum.

Liu Jingji and Su Buqing, vice chairmen of the National CPPCC Committee, were also invited to attend the session.

A total of 697 delegates were to attend the session; however, only 554 delegates were present, as 143 delegates were on sick or annual leave.

When Xie Xide announced the opening of the session at 1430, all participants stood up and sang the national anthem. [passage omitted]

The participants at the meeting passed the agenda and schedule of the Third Session of the Seventh Shanghai Municipal CPPCC Committee.

At the request of the Standing Committee of the municipal CPPCC committee, Vice Chairman Dong Yinchu delivered the Standing Committee's work report. [passage omitted]

With regard to the municipal CPPCC committee's major tasks for this year, Dong Yinchu stressed: It is necessary to continue implementing the guidelines of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee and the "Opinions of the CPC Central Committee on Adhering To and Perfecting the Multiparty Cooperation and the Political Consultative System Under the CPC's Leadership." The municipal CPPCC committee should give top priority to maintaining political, economic, and social stability. It should concentrate on consolidating and rectifying the economy, implementing reform and opening programs, and promoting both material and spiritual progress. At the same time, it should also actively and effectively conduct political consultation and democratic supervision and assist the municipal party committee and the municipal government in overcoming the temporary economic difficulties, in accomplishing this year's various tasks, and in fostering the city's sustained, steady, and harmonious economic growth. [passage omitted]

Wang Xing, vice chairman of the municipal CPPCC committee, who heads the Motions Committee, made a report on the handling of motions since the Second Session of the Seventh Shanghai Municipal CPPCC Committee. Chen Haozhu, another vice chairman of the municipal CPPCC committee, relayed the guidelines of the Third Session of the Seventh National CPPCC Committee.

Veteran comrades who were invited to the session and seated on the rostrum were Han Zheyi, Chen Yi, Yang Shifa, Zhang Chengzong, Song Richang, and Zhou Bi.

Also invited to attend the session were members of the National CPPCC Committee living in Shanghai, leaders of various departments of the municipal government, responsible people of district and county CPPCC committees, as well as foreign consuls general and other consulate officials stationed in Shanghai.



**Delivers Report at City Congress**

*OW0805102590 Shanghai City Service in Mandarin  
0900 GM 21 Apr 90*

[Text] The Third Session of the Ninth Shanghai Municipal People's Congress opened solemnly at the Central Hall of the Shanghai Exhibition Center this morning. The session was attended by 794 deputies of the municipal People's Congress. The opening ceremony was presided over by Comrade Ye Gongqi, executive chairman of the congress. Other executive chairmen attending the congress were Zhu Rongji, Zhao Zukang, Chen Tiedi, Sun Guizhang, Liu Jingji, Tan Jiazhen, Ye Shuhua, Li Jiahao, and Wang Chongji.

On behalf of the municipal government, Mayor Zhu Rongji made a report on the work of the government. His report is divided into two parts: a review of 1989 and main tasks for 1990.

While reviewing 1989, Mayor Zhu said:

[Begin Zhu Rongji recording] In the annals of the People's Republic of China, 1989 was recorded as an unusual year. It was also a year in which Shanghai advanced amid difficulties and readjustment. This year, the municipal people's government, under the correct leadership of the party Central Committee, the State Council, and the Shanghai Municipal CPC Committee, fought in unity with the people of the entire municipality, stood the severe test of political turmoil, overcame difficulties caused by economic readjustment, maintained political and social stability, and ensured the steady development of economy and other fields of work. [end recording]

Mayor Zhu dealt in detail on the three major tasks carried out last year: 1) Taking a clear-cut position in opposing and stopping the turmoil, paying attention to and strengthening work on the political-ideological front, and maintaining political and social stability; 2) concentrating efforts on improving the economic environment and rectifying economic order, persisting in reforms and opening to the outside world, and ensuring the steady growth of the national economy; 3) relentlessly doing concrete work, improving urban construction, management, and transport, and developing science, technology, public health, civil affairs, and other undertakings.

Touching on the main tasks for this year, Mayor Zhu Rongji said:

[Begin Zhu Rongji recording] We have entered the 1990's after bidding farewell to the 1980's. By looking into the future to the last 10 years of this century, we find that Shanghai faces two challenges from internal and international competition. Faced with these severe challenges, Shanghai finds that it is full of hopes, and yet it has numerous difficulties to overcome. If Shanghai is to free itself from this plight and revitalize itself, it must follow the path of developing an export-oriented economy. This is a decision made by history. The party Central Committee and the State Council have shown

great concern and support for the revitalization of Shanghai. Premier Li Peng has announced at home and abroad that the party Central Committee and the State Council have agreed to speed the development of Pudong [region in the east of Huangpu Jiang] in Shanghai by setting up an economic and technological development zone there and implementing a policy similar to those adopted in some special economic zones. This is a bright prospect for Shanghai to take a leap in developing an export-oriented economy. [applause]

Developing Pudong and opening it to the outside world has been a desire long held by the people of Shanghai. The outline of a report on the strategy for developing the economy of Shanghai formulated in 1984 called for the creation of necessary conditions for developing Pudong in preparation for building a new urban district. Now, after years of efforts, the situation for developing Pudong is ripe. In line with the strategic thinking of turning to face the world, the 21st century, and modernization, we will learn from the successful experiences of big cities at home and abroad in developing new districts, work out a comprehensive development plan for both shores of the Huangpu Jiang, and carry it out in a planned and orderly way.

According to the plan, the new Pudong District will cover an area of 350 square km. In accordance with the policy approved by the central authorities, we will absorb as much foreign investment as possible to develop a new generation of export processing industries, as well as the banking, trade, scientific and technological, and information industries to build Pudong into a modern export-oriented industrial base with complete facilities, and into a new window to open further Shanghai and all of China to the outside world. In the new Pudong district, we will construct such infrastructural facilities as thermal power plants, gasworks, waterworks, and a computerized telephone system. We will build a large modern harbor zone, export processing zone, foreign investment zone, scientific and educational park, and residential areas with complete facilities. We will also build a bridge across the river linking the inner and outer loops of the city, as well as subways, highways, railways, wharves, and an airport that are accessible to the city and suburban transportation. There will be broad greenbelts in between the aforementioned comprehensive planning zones. A modern second bund will be erected in the Lujiazui golden section across Huangpu Jiang from the present bund. The old city district of Puxi [region in the west of Huangpu Jiang] will be transformed and developed through alleviating its industry and population in the course of developing Pudong. At the time that Pudong and Puxi can compete with each other for its radiance, Shanghai, an old industrial base, will be full of vigor and contribute even more to the development of the Chang Jiang river valley and the national economy as a whole. We may anticipate that under the support of the party Central Committee and the State Council and along with Shanghai's further opening and Pudong's accelerating development, the

economy will grow steadily, the people's livelihood will improve gradually, and the people of the whole municipality further will invigorate their spirit, thereby enabling Shanghai to free itself from its predicament and enter a new era of revitalization and development.

This is the first year of the 1990's and a crucial year for economic rectification and deepening reform. The guiding principle for this year's work is to uphold the four cardinal principles, persist in carrying out reform and opening to the outside world, continue to implement the policy of achieving stability first and then working vigorously, and concentrate efforts on readjustment, consolidation, management, and reform so that Shanghai can build up its strength for future development in the course of readjustment and continue to develop in a stable environment. [end recording]

In his government work report, Mayor Zhu Rongji put forward 10 tasks for the municipal government this year: Explore and invigorate markets to stimulate economic growth; readjust industrial structure to maintain an appropriate industrial growth rate; take effective measures to promote steady agricultural development; open wider to the outside world and further develop an export-oriented economy; deepen economic structural reform focused on economic rectification; continue to solve practical problems, ensure key construction projects, and strengthen urban management; uphold the socialist orientation of education, and improve the quality of education and the efficiency of schools; speed up the pace of integrating science and technology with production and bring into full play the role of science and technology in productive forces; foster the prosperity of socialist culture and pay close attention to family planning and health work; and reinforce democracy and construction of the legal system and maintain social stability.

In conclusion, Mayor Zhu Rongji said:

[Begin Zhu Rongji recording] Fellow deputies: Shanghai is a heroic city with a revolutionary tradition. Our predecessors fought unflinchingly and arduously for Shanghai's destiny and future and wrote illustrious chapters in history. Today, Shanghai is at the starting point of a new historical era. We have waited for many years for the arrival of this day. However, to transform hope into reality, requires the diligent labor of 12 million municipal residents. Shanghai can be revitalized only through the hands of its residents. At this hopeful and challenging moment, I sincerely call on the residents of the entire municipality to regard the revitalization of Shanghai as their sacred task and, working hard with one heart and one mind, pool the wisdom of all to overcome difficulties on the road of advancement and bring Shanghai a bright future. [applause] [end recording]

Members of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC] attending the current session of the municipal CPPCC committee attended the opening of the third session of

the ninth municipal People's Congress as observers. Consuls general from various countries in Shanghai were also invited to attend the opening as observers.

### **Congratulates 'Good Eighth Company'**

OW0705015990 Beijing XINHUA Domestic Service  
in Chinese 0855 GMT 25 Apr 90

[By reporter Jia Yong and correspondent Su Meng]

[Text] Shanghai, 25 Apr (XINHUA)—The Nanjing Military Region solemnly held a meeting here today in commemoration of the 27th anniversary of the naming of the "Good Eighth Company on Nanjing Road." On behalf of the Central Military Commission and the three general headquarters, Guo Linxiang, secretary of the Commission for Discipline Inspection of the Central Military Commission and deputy director of the General Political Department, went to the meeting to express his congratulations and present, on behalf of the three general headquarters, banners and books to the Good Eighth Company.

The glittering gold characters on the banner presented by the three general headquarters read: "The whole nation praises your plain living and hard work, and the banner becomes even redder because of your deeds against corruption and your refusal to be changeable." These words summarize the 27-year history of carrying forward its glorious tradition and maintaining its true political color. Since it was named by the Ministry of National Defense on 25 April 1963, the Good Eighth Company has been transferred out of Nanjing Road four times and transferred back to Nanjing Road three times. Its personnel have been changed year after year. It continues to carry forward the spirit of plain living, refusal to be corrupt and changeable in ideology, and hard work. Like the veterans of the old days, the company's soldiers of the younger generation still practice economy. They do not waste "one single penny, grain of rice, drop of water, kilowatt-hour of electricity, or yard of cloth." Performing their duty on busy streets, they have refused to take bribes more than 100 times, and no person has violated laws and regulations. They have set up service stations in and on railway stations, docks, streets, and lanes to help people solve their problems, and have provided assistance on more than a million occasions. The officers and soldiers of the Good Eighth Company have sweated at the work sites of such key projects as the Shanghai Petroleum General Plant, the New Railway Station, and the Huangpujiang Diversion Works. The Good Eighth Company has become a model of socialist spiritual civilization.

At the meeting, the Good Eighth Company submitted its proposal of "carrying forward the excellent tradition and competing to be a first rate company" to all troops under the Nanjing Military Region. "The Heroic Tough Sixth Company," on behalf of heroic model companies throughout the region, went up to the platform of the meeting to second the motion proposed by the Good Eighth Company.

At the meeting, Comrade Guo Linxiang said: "The Good Eighth Company on Nanjing Road" is a banner that represents the plain living, hard work, stance against corruption and refusal to be changeable. During the 27 years since the Good Eighth Company was named, profound changes have occurred in all aspects of our country and Army. Having braved the trials and hardships in socialist revolution and construction over several decades, especially the political struggle involving stopping turmoil and quelling counterrevolutionary rebellion, we have come to realize even more vividly that the spirit and work style of the Good Eighth Company can never be discarded at any time. The times are calling for the spirit of Lei Feng and the work style of the Good Eighth Company.

He stressed: Under the new situation, the emphasis of learning from the Good Eighth Company is still put on learning its noble character of "refusing to be corrupt and never taking advantage of others" and revolutionary spirit of plain living and hard work. For a very long period of time, our Army has been tested with choices between corruption and struggle against corruption, infiltration and counterinfiltration, and peaceful evolution and antipeaceful evolution. Under this situation, it appears even more important to learn from and carry forward the Good Eighth Company's revolutionary spirit of "refusing to be corrupt and never taking advantage of others," as well as plain living and hard work. It is necessary to closely combine the activities of learning from the Good Eighth Company and the campaigns of learning from Lei Feng in a bid to cultivate millions upon millions of revolutionary soldiers of Lei Feng style and many model collectives of the Good Eighth Company style.

Zhu Rongji and Xiang Shouzhi, responsible comrades of Shanghai City and the Nanjing Military Region, respectively, spoke at the meeting. They highly appraised the deeds and spirit of the Good Eighth Company; expounded the great significance of learning from the Good Eighth Company; and urged the launching of an even more intensive drive to learn from the Good Eighth Company, build closer ties between the military and the government as well as between the military and the people, and advance activities to build ideology and culture.

At the meeting, Fu Kuiqing, political commissar of the Nanjing Military Region, read "The Decision on Extensively Launching a Drive of Learning From 'the Good Eighth Company on Nanjing Road'" approved by the party committee of the Nanjing Military Region.

## Central-South Region

### Reportage on Upcoming People's Congress

#### Session Scheduled for 9 May

*HK0805083990 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 8 May 90*

[Text] Yang Li, director of the preparatory committee for the Third Session of the Seventh Guangdong Provincial People's Congress told a press briefing on the afternoon of 7 May that all preparations had been made for convening the session, which is scheduled for 9 May.

Director Yang Li pointed out: The main tasks of the session are to mobilize and unite the people of the whole province to brace themselves, work with one heart and one mind, continue to promote the province's tasks of carrying out economic improvement and rectification, deepening the reform, and opening up to the outside world, under the leadership of the party Central Committee and the provincial party committee and to do a good job of building the two civilizations in our province. The session will further develop a democratic work style, listen to opinions from all deputies to different sessions of the People's Congress on different fields of work in the province.

Yang Li also said: In order to enable deputies to the People's Congress to exchange views with state organs, during the coming session, responsible persons from the provincial people's government and different committees, offices, departments, and bureaus, as well as leaders of the provincial Higher People's Court and the provincial People's Procuratorate, will be organized to attend panel discussions with all delegations as observers to solicit opinions and answers questions. Meanwhile, people from all circles in society will also be organized to attend the coming session as observers and main documents from the session will be issued to them. During the session, the observers will be invited to discussion meetings to offer their views.

#### Personnel Changes Expected

*HK0805033890 Hong Kong TA KUNG PAO in Chinese 8 May 90 p 1*

[Report by Lin Ning (2651 1337): "The Third Session of the Seventh Guangdong Provincial People's Congress Will Open Tomorrow, and Important Personnel Changes Are Expected"]

[Text] Guangzhou, 7 May—Yang Li, director of the preparatory department for the third session of the seventh Guangdong provincial People's Congress, said today that one or two important personnel changes will be made at this regular session of the congress. Although the number of people involved is small, the changes are important.

At the news briefing this afternoon, Yang Li made it clear that these personnel changes only mean resignation



of one or two leaders and by-election of new leaders for the provincial People's Congress. For government organs, there is no arrangement for any by-election so far.

The third session of the seventh Guangdong provincial People's Congress is due to open 9 May. Yang Li held that this session, which comes after last year's "disturbance," is of great significance to sticking to and perfecting the system of People's Congress and stabilizing the overall situation in Guangdong.

He also emphasized that this session should further carry forward democracy and extensively solicit views from the deputies to the congress from all quarters on better work in Guangdong. Improvement has been made on the arrangement for visitors from all circles of the society to attend the plenary session. Major documents of the session will be handed out to them and some of them will be invited to forums to give their opinions during the session.

Yang Li said that political democracy should take a certain form. According to the "Rules of Procedure for the Provincial People's Congress," the work reports (first drafts) from the provincial government, the Standing Committee of the provincial People's Congress, the provincial court, and the provincial procuratorate have been handed out in advance to all deputies to the provincial People's Congress for comments. In order to make it convenient for the deputies to communicate with state organs, this session has also arranged for responsible persons of all commissions, offices, departments, and bureaus in the provincial government and the provincial court and procuratorate to attend panel discussions of delegations as nonvoting delegates.

#### Officials Cited

HK0805073190 Hong Kong TA KUNG PAO in Chinese  
8 May 90 p 2

["Special dispatch" from Guangzhou: "Guangdong Provincial People's Congress Session Will Make Personnel Arrangements"]

[Text] The third session of the seventh Guangdong provincial People's Congress [PPC], which has been delayed for over a month, will be held the day after tomorrow. People abroad have guessed different reasons for the delay, the most sensitive being personnel arrangements. Although the PPC Preparatory Office has announced that this session will be of a "regular" nature, seven news agencies from Hong Kong and several foreign consulates established in Guangdong have asked to cover the meeting or attend it. It can be seen, therefore, that they attach unusual importance to it.

#### The Press and the Mass Media Are Competing To Cover the News at the "Regular Session"

What is more important is that since the CPC senior leaders have finished making personnel changes, the arrangements for major leading positions in Guangdong

Province have now drawn everyone's special attention. During this time, the overseas news media have circulated the rumor that there will be changes of one sort or other in Guangdong's leadership. Some have even made totally unrelated remarks. To be frank, they are concerned that the personnel changes will affect the policies.

It is very natural for new things to replace old ones. Nevertheless, it cannot be denied that the delay in convening the PPC session may be attributable to some personnel arrangements. However, we must not waste too much energy there. It is also totally unfounded and self-annoying to deduce that changes in policies will follow the personnel changes.

#### Anyway, the Development Will Be Good

As Yang Li, vice chairman of the Guangdong PPC Standing Committee, said today: "Personnel changes are very important, and it is equally important when there are no such changes. Anyway, Guangdong will develop well."

The remark has found enough supporting evidence: According to figures, in Guangdong, bank loans increased by 1.51 billion yuan in March, concessional loans for circulating funds increased by 1.6 billion yuan in April, and the shortages of credit capital have been alleviated. In the first quarter, the decreasing production of industry and transport was checked and increased steadily, showing a 4.4-percent increase over the corresponding period last year. The readjustment of the product mix and industrial structure has, in particular, produced preliminary results. There have been increases in the output of basic industries such as coal, charcoal, electricity, steel products, coke, iron, and minerals. The development of new products has been sped up and that of capital construction, such as energy, transport, and telecommunications, has also been started. Moreover, foreign business and trade did well. The output value of exported products increased by 37.9 percent over the corresponding period last year. The use of foreign capital has been sped up, and it is expected that the province will invite tenders for a number of large-scale projects from overseas businesses. In Guangzhou alone, 670 contracts for the use of foreign capital were signed in the first quarter this year, a 22.5 increase over the corresponding period last year. This shows that Guangdong's policy of opening up to the outside has remain unchanged and will not be changed.

#### Appointments and Dismissals Will Be Made in Accordance With Laws

It is true that Guangdong's economy is faced with difficulties, and the focus of all these difficulties is the market. It will require a lot of pain and effort before Guangdong can really get out of them, especially when the country is in difficulties at home and is enduring pressure from abroad, and when various contradictions that have accumulated through history are cropping up. Naturally, it will not be easy for the improvement program to be successful in the face of a situation of



"walking on thin ice and being trapped in a deep valley." In response to this, the PPC session will stress "democracy, truth-seeking, solidarity, and the encouragement of liveliness," positively coping with difficulties, not avoiding problems, and working together to resolve them.

The session will also stress the need to continue to carry forward democracy, crack down on corruption, and strengthen the effective supervision of governments at all levels. Personnel appointments and dismissals will be made strictly in accordance with laws and through democratic consultations so that delegates can properly put forward their views, ask questions, and really reflect the people's opinions. This will make room for different views and ideas and reflect the spirit of democracy.

#### **Foreigners' Visits to PPC Sessions Under Consideration**

Position exchanges among Guangdong PPC key leaders also reflect some personnel changes in the party and government departments. However, Yang Li said: "There are not yet any arrangements for by-elections in government departments." Nonetheless, he did not rule out the possibility that a certain new situation will occur according to the meeting procedures.

It is disclosed that the Guangdong PPC has recently considered granting foreigners, including the personnel of the consulates established in Guangdong and business representatives, the right to visit PPC sessions in the future. Yang Li said: "When the right time comes, it will be possible for foreigners to visit the sessions."

Foreigners have never been granted the right to visit PPC sessions. However, Guangdong is currently studying this matter. This demonstrates that the policies have not been tightened but have tended to be more open and are in keeping with democracy. In view of this, will people deeply believe that Guangdong's reform and opening up will not be changed with new personnel arrangements?

#### **10 Executed in Guangdong for Toxic Liquor Sales**

*HK0105031590 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 28 Apr 90*

[Text] Ten criminals involved in the once sensational case of toxic and fake liquor in Zhaoqing were punished according to law today. Of them three, who were chief culprits, were executed this afternoon. They were (Ou Jingli), former chief of the brewery under the Comprehensive Factory in Huilong Town, (Gaoyao) County, Zhaoqing City; (Deng Zhongjin), an unemployed person in Zhaoqing, who introduced the industrial alcohol to the brewery; and (Pan Fasheng), chief of the wholesale department of the (Gaoyao) County Hardware, Electrical, and Chemical Company, who sold the industrial alcohol. (Wu Fuji), assistant of the Zhaoqing Industrial and Commercial Development Company, and (Zhong Weixiong), worker of the market run by the

Industrial, and Trade Development Company under Zhaoqing Xinghu Management Committee were sentenced to death with the sentence suspended for two years, and deprived of political rights for life. (Chen Diyin), former salesman of the brewery, was given a life sentence. (Ao Daosheng), (Huang Jinyou), and (Lin Fengshuang), former workers of the brewery, were sentenced to 10, eight, and six years' imprisonment, respectively. (Deng Zhongjin), villager of (Dongshan) Village, (Huilong) County, was sentenced to three years' imprisonment with a three-year reprieve. The case of the toxic and fake liquor, of which the 10 criminals were found guilty, cost 20 persons their lives, seven their eyesight, and enormous financial losses last November.

#### **Guangdong's Shantou City Executes 11 Criminals**

*HK0105012890 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 28 Apr 90*

[Excerpts] From 24 April until yesterday morning, Shantou City Intermediate People's Court called rallies in Shantou City, Raoping County, and Puning County respectively to pronounce the court's final judgment on nine cases involving 20 criminals who had committed serious crimes including robbery, murder, rape, and so on. Eleven criminals who seriously disturbed social order, including (Huang Xiqi) and (Huang Dingxiong) who committed robbery and (Guan Yanlong), who committed robbery and wilful murder, were sentenced to death according to law and deprived of political rights for life. They were executed in the period from 24 April up to yesterday morning. Of the 11 criminals who received death sentences five had committed robbery, three had committed wilful murder, one had committed robbery and wilful murder, and two had committed rape. [passage omitted]

#### **Guangdong's Illegal Arrest Cases Rise**

*HK0805070590 Beijing ZHONGGUO XINWEN SHE in Chinese 0325 GMT 8 May 90*

[Report by journalist Jiang Chuangxu (3068 0482 2485): "The Number of Illegal Arrest and Detention Cases in Guangdong Increases Day by Day"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 8 May (ZHONGGUO XINWEN SHE)—Illegal arrest and detention cases arising from financial disputes are on the rise in Guangdong.

We Weiliang, spokesman of the Guangdong Provincial People's Procuratorate revealed yesterday that a relatively large proportion of the illegal arrest and detention cases which occurred in the province in the last year or two arose from financial disputes. Twelve files were opened last year to investigate such cases, which represented one-fourth of the total number of files opened to investigate illegal arrest and detention cases. In the first four months of this year, 14 files involving illegal arrest

and detention cases arising from financial disputes were opened for investigation, which exceeded the total number of cases last year.

It was revealed that of the defendants in illegal arrest and detention cases, some are ordinary people, while some are managers of enterprise units, cadres of party and government organizations, and legal workers and policemen. They were invariably oblivious to the law when they pressed their debtors to repay their loans. They stripped people of their personal freedom and held the persons concerned or staff members of the other party of the financial disputes hostage in state guesthouses, guesthouses for the local people or detention institutions, and the length of detention varied from one to two days to more than one year.

Zhong Jiu, director of the Dianbai County procuratorate office took some handcuffs home without seeking his senior officers' permission to enable his younger brother Zhong Huaguan to bring his debtor Su Guoping home for detention. As a result, Su Guoping died in the Zhong family's toilet. Moreover, Zhong Huaguan used the same method to handcuff Lin Chaohui and Lin Guozhong, who were Su Guoping's partners, and even put Lin Chaohui in the sun by handcuffing him to a wire pole. The procuratorate organs are presently hunting down Zhong Huaguan, and Zhong Jiu is standing trial.

At present, debt disputes between people and "three-point debt" disputes between enterprises in Guangdong are on the rise every day. As the people are not well-trained in civic law concepts, glaring cases involving illegal arrest and detention have occurred. It was revealed that the actual number of such cases far exceeded the announced figures, for many victims stooped to compromise and did not take their cases to court.

The Guangdong Provincial People's Procuratorate said that in light of the actual situation, procuratorate organs would open files to investigate illegal arrest and detention cases which stripped citizens of their personal freedom, so as to protect the rights and legal rights and benefits of citizens.

### Southwest Region

#### Dalai Lama Views Situation in Tibet

AU3004162690 Hamburg DIE WELT in German  
25 Apr 90 p 10

[W.V. Erffa report: "Dalai Lama Compares Tibet With Lithuania"]

[Text] Dharamsala—Today the Dalai Lama, the head of the Tibetans, will speak at a hearing before the Political Committee of the European Parliament in Brussels on the situation of human rights in Tibet. China tried in vain to prevent this hearing.

"Sometimes smaller nations have the bigger heart," the Dalai Lama, who is venerated as Tibet's God King, said in an interview with DIE WELT before his departure in Dharamsala, India, answering a question about what he expects of the hearing and, in particular, about whether he thinks the FRG and the EC states will adopt a more positive attitude concerning Tibet's efforts. He does not have any particular expectations, but he thinks that the hearing will be a very good basis for the work that has to be done for Tibet later on. He is happy that such a hearing is possible today; some time ago it would have been inconceivable. This already constitutes a change. The public awareness of the situation in Tibet is increasing, and the sympathetic feelings for Tibet are intensifying. This is particularly important for his goals.

However, the new dynamism of Europe's support for Tibet does not come from the West but from East Europe. A short time ago, during his visits to Prague and East Berlin, he found a strong interest in Buddhism there and also in Eastern philosophy and meditation.

The Dalai Lama says: "If one suffered from oppression, this gives rise to a special feeling. The people in East Europe had to suffer. It seems that this gives rise to sympathy for people in a similar situation. In Prague and in East Berlin I felt a completely spontaneous, friendly sympathy among the people. Later this year I will probably visit Hungary and Poland."

Asked whether, according to Buddhist teachings, unexpected political changes are possible on the basis of some sort of cosmological providence, similar to the Christian concept of the grace of God, the Dalai Lama thinks for some time. Yes, there are indications of this, he says. In any case, the darkest period is now over for Tibet.

He believes that happier days will come in the near future. There are indications of this. However, at the moment, restrictions are becoming tighter for the people in Tibet and in China. This year the Chinese took tanks to Tibet while whereas previously they had only used armored vehicles. A confidential document of the Chinese Government reportedly says that the occupation army in Tibet is to be reinforced.

China is worried about the development in the Mongolian People's Republic, about democracy everywhere at the borders of its empire, also in Nepal. The fact that Outer Mongolia has already decided to accept a multi-party system, is good news. But it is bad news for the Chinese leaders.

Asked whether China must feel like a sandwich, covered and pressed by democracy on all sides, the Dalai Lama says, laughingly: "I think that the Chinese leaders are proud that they maintain what they call the true revolutionary spirit. Who did not agree with them was a revisionist in their view. Now other nations have shown that they are revisionists, but the Chinese are loyal pupils of Marx."

Concerning the status of annexed Tibet, there is a big similarity with the political situation of the Baltic states: "Like Tibet, the Baltic states were annexed by force. Tibet became a part of China by force. On the basis of the 17-point agreement of 1951, which was not concluded voluntarily, China was able to annex all of Tibet."

"The Baltic states should receive a transitional period of five years, in line with new conceptual ideas. The Chinese in Tibet will, perhaps, be left with a transitional period of 10 years,..." he says. After the collapse of the materialistic Marxism-Leninism, there are strategies to fill the vacuum not only in Eastern Europe but also in China.

The spiritual state of thousands of young people is characterized by complete confusion, the Dalai Lama says. At the moment, they are first and foremost striving to earn more money and to get rich. Later, they will realize that they are missing something. Until recently they thought that Communism means everything. Now the young people in China have lost their belief in this. Therefore, another ideology will come and remain to stay.

#### **'Peace and Contentment' Currently Seen in Lhasa**

*OW0405112190 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 2 May 90*

[By reporters Nian Qi and Wang Guangming; from the "Tibet News" program]

[Text] [Video begins with medium shots of a smoke-engulfed multi-story lamasery, and zooms back to show a full view of the temple and social and religious activities among Tibetan people in its vicinity. Video then cuts to show medium shots of a temple facade, then pans down to show some Tibetan people prostrating]

Since martial law was lifted in Lhasa, the city's social order has been good. The people there now live and work in peace and contentment as before. The city is now filled with an atmosphere of peace, and tranquility now prevails in the city. When we visited Jokhang Temple Square this morning, we could see that the religious activities there were proceeding in a normal and orderly fashion. Prostrating on the ground while they pray, the Tibetan people who pay homage to the temple are as devoted as before.

[Video shows medium shots of Tibetan merchants selling religious curios in roadside stalls, shots of Tibetan women strolling on a congested street, shots of peddlers selling Tibetan rugs, and shots of a Caucasian woman trying on a fleece-lined Tibetan gown] On Bargar Street, many tourists are attracted by the endless variety of commodities, and traders are having a very good day selling their goods to them. One foreign tourist is trying on a Tibetan garment. We can see that she is very interested in the garment. The tourists seem to enjoy the bustle of Bargar Street.

[Video shows market activities at roadside stalls filled with meat, fruits, vegetables, and other foodstuffs.] We now come to Lhasa's market of where agricultural goods are sold. All kinds of vegetables, fish, eggs, and poultry are available here. As before, melon and fruit sellers are eagerly hawking their goods. They are striving to contribute to the stability and prosperity of the Lhasa market.

[Video shows distant shots of a green pasture with a dozen or so tents erected among small trees, and cuts to show shots of the inside of a tent with a Tibetan family of seven or eight; the video then shows closeup shots of a middle-age man talking and a cassette radio recorder, some thermos bottles, and some refreshments and soft drinks and other food items on the floor]

In Loantang Public Park, tents can be seen everywhere. Some Tibetan workers and cadres have come with their wives and children to camp here and enjoy themselves. One tent owner, who said he was a driver for the Industrial Power Commission, said that since martial law was lifted, people are enjoying peace without any worries at all.

#### **Tibet Official Discusses Foreigners Entry Rules**

*OW0805054890 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 7 May 90*

[Announcer-read report over video showing small conference room where Tang Zhengqi, deputy secretary general of the Tibet Autonomous Regional Government, is seen addressing local reporters and officials; from the "Tibet News" program]

[Text] At the instruction of the autonomous regional people's government, Tang Zhengqi, deputy secretary general of the autonomous regional people's government, held a news briefing on 7 May to announce some provisions concerning the entry of foreigners into Tibet. Tang Zhengqi said: The State Council has lifted martial law in Lhasa City as of 1 May. The region will continue the policy of reform and opening to the outside world; reopen Lhasa City to the outside world; and do its best to receive foreigners who come to Lhasa or other open cities and counties in Tibet to perform official duties, cover news events, sightsee, conduct business negotiations, or discuss economic and technological cooperation.

He said: Owing to the limited number of reception personnel and limited tourism facilities in Tibet, any foreigner who plans to go to the aforesaid localities must file an application beforehand with the department concerned of the Tibet Autonomous Region so that necessary arrangements can be made. Personnel of foreign embassies and consulates in China and foreign journalists, including resident reporters and reporters on temporary assignment, should file their applications with the Foreign Affairs Office of the Tibet Autonomous Region. Foreign tourists should file their applications with the Tourism Bureau of the autonomous region. Foreigners



seeking to discuss trade or economic and technological cooperation should file their applications with the Department of Foreign Economic Relations and Trade of the autonomous region.

At the news briefing, Deputy Secretary General Tang Zhengqi also answered questions raised by reporters. Those attending the news briefing included responsible comrades of the departments concerned and reporters of central and Tibetan news media.

### Northeast Region

#### Heilongjiang Procuratorial Work Report

SK0405000190 Harbin HEILONGJIANG RIBAO  
in Chinese 10 Mar 90 p 7

[Work report "excerpts" by Jia Chengwen, chief procurator of the Heilongjiang Provincial People's Procuratorate at the third session of the seventh provincial People's Congress on 4 March 1990]

[Excerpts] The characteristics of the work done by the procuratorial organs across the province in 1989, which are obviously different from those of other years, are as follows: 1) While the central authorities were combating the corrupt and the entire province was engaging in building administrative honesty, the procuratorial organs throughout the province assumed important duties in dealing blows at economic crimes, such as embezzling money and accepting bribes. 2) The number of criminal cases increased on a large scale and the procuratorial work of criminal cases became increasingly heavy. The work of dealing blows to criminals who had created the disturbance and the counterrevolutionary riot represented an important matter concerning the policies and has set forth higher demands for the procuratorial work. 3) The struggle against the corrosive influence and particularly the political disturbance occurred at the turn of spring and summer last year brought about a series of tests to the procuratorial ranks. Thus, tasks of enhancing self-improvement in building administrative honesty and of strengthening the ideological and political work became more prominent and important. In facing the new situation and heavy tasks, the broad masses of leaders, cadres, and policemen in the procuratorial organs across the province achieved new progress in various procuratorial work by going all-out to make progress, working hard, enhancing the struggle against embezzlement and bribe acceptance, and further dealing blows at criminal activities; and played an active role in enhancing the people's democratic dictatorship, safeguarding social peace, promoting the building of administrative honesty and economic development, and in protecting the smooth progress in improving the economic environment, rectifying economic order, and deepening the reform drive.

#### 1. The Struggle Mainly Against the Economic Crimes of Embezzlement and Bribe Acceptance Scored Marked Achievement

In 1989 procuratorial organs at all levels across the province regarded the struggle against embezzlement and bribe acceptance as the best way of dealing blows at economic crimes. They received 6,117 economic cases, a 91.28 percent increase over 1988; and placed 3,303 cases on file, a 91.81 percent increase over 1988. Of the cases which had been placed on files and been investigated and dealt with, the number of appalling and serious cases reached 611, a 2.6-fold increase over 1988; and that of embezzlement and bribe cases reached 1,991, a 96.35 percent increase over 1988, accounting for 60.28 percent of the total. They discovered 42.43 million yuan of economic losses and recovered 39 million yuan of stolen money, a more than 27 million yuan increase over 1988.

Major tasks fulfilled by procuratorial organs at all levels across the province in the year are as follows:

First, they formulated their work plan and made work arrangements early and took rapid action. [passage omitted]

Second, they generally enforced the responsibility system among the leading personnel in order to have them make a breakthrough in cracking down appalling and serious cases. [passage omitted]

Third, they made full use of the channels of having the masses report crimes to the authorities and expanded the sources of criminal cases. [passage omitted]

Fourth, they seized the favorable opportunity of implementing the "circular" issued by the Supreme People's Court and the Supreme People's Procuratorate to whip up an upsurge in waging the struggle against embezzlement and bribe acceptance. [passage omitted]

In waging a struggle against embezzlement and bribe acceptance in 1990, they plan to do a good job in firmly grasping the following six tasks: 1) Efforts should be made to foster the idea of fighting a long-term battle, to consolidate the achievement, and to enlarge the results. 2) A good job should be done in conducting investigation in systematic manner and making a breakthrough in cracking down major cases. 3) A good job should further be done in conducting the work of having the masses report crimes to the authorities. 4) Attention should be paid to successfully carrying out investigation and dealing with economic cases committed by the cadres of party and government organs. 5) Efforts should be made to further enhance the building of investigation work. 6) Efforts should be made to gain experience from the policies of giving stern or lenient punishment to criminals, which are supplementing each other.

#### 2. Serious Criminal Elements Were Punctured and Social Stability and Unity Were Safeguarded

While successfully grasping the work emphasis of combating the corrupt and bribe acceptance in 1989, the



procuratorial organs across the province actively conducted the work of dealing blows at serious criminal activities. They received the arrest applications handed over by the public security organs, which involved 23,437 criminals, a 44.64 percent increase over 1988. They decided to arrest 18,828 criminals, a 38.63 percent increase over 1988. The public security organs handed over 18,501 cases, 28.46 percent increase over 1989, which involved 30,023 criminals, a 38.87 percent increase over 1988, to these procuratorial organs for indictment or for the appraisal of exempting from indictment. They brought in indictments on 12,793 cases which involved 19,006 criminals and had 1,231 criminals exempted from indictment. In dealing blows to criminals, the procuratorial organs across the province fulfilled the following five major tasks: 1) They unified their understanding of the situation and unswervingly implemented the principle of "strictly punishing criminals in a timely manner". 2) They did a good job in joining in the investigation work before arrest. 3) In carrying out the practice, they tried to enhance the method of legal supervision and further did a good job in conducting "two supervisions". 4) They earnestly did a good job in conducting the work of internal restriction. 5) They earnestly did a good job in investigating and dealing with the criminals who had created disturbances. At present, the province's situation in public security is still severe. The number of appalling and serious crimes has increased and never got down. Criminal activities which directly threaten the masses' safety, such as hold-up, rape, robbery, and troubles caused by gangsters, have been rampant. Criminal rings and group crimes have tended to increase. Tasks in investigating the criminals who have caused the disturbance and riot should be still and deeply carried out. The indepth work of eliminating "obscene things" and "six vices" has also imposed new tasks on the procuratorial organs. Therefore, we should further enhance the procuratorial work on dealing with criminal cases, heighten our vigilance, and should enhance our sense of historical responsibility and of emergency in work in safeguarding the party's leadership and the socialist systems. While doing a good job in combating the corrupt and bribe acceptance, we should further firmly and realistically enhance the work of dealing blows at serious crimes. [passage omitted]

### **3. The Procuratorial Work on the Law Enforcement Front Was Actively Carried Out and the Building of Democracy and Legal Systems Was Promoted**

Based on the task of punishing the corrupt to promote the building of administrative honesty in 1989, procuratorial organs at all levels throughout the province persistently stressed that the procuratorial work on the law enforcement front can only be strengthened and cannot be weakened and continued to emphatically do a good job in conducting the case-handling work centered on cases of "infringing upon rights," dereliction of duties, and accidents due to negligence. The province received 2,178 cases violating discipline and regulations, a 9.12 percent increase over 1988; and placed 837 cases on file and had them investigated, a 14.66 percent increase over

1988. The province surpassed the previous peak of dealing with the cases violating discipline and regulations in a year. [passage omitted]

### **4. Overall Arrangements for the Procuratorial Work on the Fronts of Jails and Detention Houses, Filing Charges in Courts, Agriculture and Forestry, Railway, and Transportation Were Made and the Work Achieved New Progress**

While concentrating on and ensuring the fulfillment of key tasks, the procuratorial organs throughout the province actively conducted the work concerning other procuratorial affairs and enabled the procuratorial affairs as a whole to achieve harmonious development.

In conducting the procuratorial work in jails and detention houses, these procuratorial organs emphatically conducted supervision and inspection over the implementation of various rules and regulations provided for the cadres of jails and reformatories. In 1989, they corrected 1,427 violation cases; dealt with the overdetained cases of 501 convicts, and put 71 convicts in jail again, who had been illegally freed on parole for medical care.

In conducting the procuratorial work in filing charges in courts, they received 31,456 cases and information reported by the masses through their ordinary visits or letters and most of them were dealt with.

In conducting the procuratorial work in agriculture and forestry, they achieved new progress in their original work foundation and played an effective role in protecting the task of stabilizing economic order among state and forestry farms and of promoting production development.

In conducting the procuratorial work in railway transport, they scored marked achievements in safeguarding the order of railway transport, in coordinating the railway public security departments to deal blows to criminals stealing railway materials, in consolidating the order of railway stations and trains, and particularly in dealing with the cases of "seeking personal gain by taking advantage of train service".

### **5. The Ideological and Political Work and the Building of Cadres' Ranks Were Strengthened and the Two Qualities of Procuratorial Cadres and Policemen Were Further Upgraded**

In line with the situation in the new historic period and the state of affairs in the procuratorial ranks, in 1989 these procuratorial organs throughout the province put forward the demand of unswervingly improving the professional affairs on the one hand and building up cadres' ranks on the other hand; and vigorously built up the contingent of procuratorial personnel, which had done things strictly according to the law, enforced the law impartially, understood well the policies, performed the official duties honestly, established close ties with the masses, and had been proficient in their professional work. [passage omitted] According to statistics compiled

from the data scored in the inspection operation in the autumn of last year, in handling the cases, procuratorial cadres and policemen refused gifts and bribes offered by the wrongdoers on 1,991 occasions which involved 414,400 yuan. They refused banquet receptions on 2,998 occasions and the pleading for mercy for the wrongdoers on 3,924 occasions; did good deeds for the people on 841 occasions; and took up their cudgels for a just cause on 144 occasions. Of these procuratorial cadres and policemen, 76 were commended due to their outstanding contributions. The training work on professional affairs was also enhanced. In 1990 the procuratorial organs throughout the province should earnestly implement the "decision" made by the Supreme People's Procuratoriate with regard to enhancing the ideological and political work among the procuratorial organs, the "procuratorial personnel discipline" formulated by the Supreme People's Procuratoriate, and the spirit of the provincial work conference on building the ranks of political and legal personnel.

#### **Fifth Jilin Provincial Plenary Session Held**

SK0805004290 Changchun Jilin Provincial Service  
in Mandarin 0930 GMT 27 Apr 90

[Text] The fifth plenary session of the fifth provincial party committee was held in the city of Changchun from 23 to 27 April. It was urged at the plenary session that party organizations and the broad masses of party members at all levels throughout the province should concentrate on studying and implementing the decision adopted at the Sixth Plenary Session of the 13th CPC Central Committee; inherit and develop the party's fine tradition of establishing a close tie with the masses; and should further closely rely on and unite with the people of various nationalities to strive for the stable development of politics, the economy, and society as well as for long-term social order and peace.

During the plenary session, the participating members, by regarding as a powerful guidance the decision adopted at the Sixth Plenary Session of the 13th CPC Central Committee, reviewed and summarized the experience and lessons gained in dealing with the relationship between the party and the masses, measured their ideology and workstyle as well as the problems cropping up in their work by the standard of the central decision, earnestly carried out criticism and self-criticism, and discussed and made arrangements for the province's work and measures for implementing the decision of the CPC Central Committee with regard to enhancing the tie between the party and the masses.

During the plenary session, Comrade He Zhukang delivered a report entitled "Apply the Spirit of Rectifying Incorrect Styles of Work to Studying and Implementing the Decision Adopted at the Sixth Plenary Session So as To Further Establish Closer Ties Between the Party and the Masses".

During the plenary session, the participating members, through holding full discussion, approved the detailed

rules and regulations formulated by the Jilin Provincial CPC Committee with regard to implementing the decision of the CPC Central Committee on establishing closer ties between the party and the masses. They also held discussions on the province's main targets and major measures for improving the economic environment and rectifying the economic order within the three years. Comrade Wang Zhongyu delivered a speech on these targets and measures. Through holding discussion, they approved in principle the province's main targets and major measures of improving the environment and rectifying order within the three years.

It was pointed out at the plenary session that applying the spirit of rectifying incorrect styles of work to studying the central decision, to upgrading the consciousness of establishing closer ties with the masses, and to enhancing the close relationship between the party and the masses, represents a fundamental issue related to party building. All cadres, particularly leading cadres at or above the county level, should uphold the studying style of integrating theories with reality and ideologically deal with their problems of being divorced from the masses by bearing in mind their ideological and working reality and the current situation: in their own units or localities with regard to the relationship between the party and the masses so as to enable themselves to truly straighten out the relationship between the leadership and the masses as well as between personal interests and the people's interests. They should measure themselves to find out the gap between themselves and the standards of the central authorities; and examine themselves to determine whether they have fostered a firm viewpoint on following the mass line, done a good job in building administration honesty, done enough in going deep into grassroots level units and the masses, and have had a close or normal tie with the masses. They should actively carry out the ideological struggle by applying the weapon of criticism and self-criticism; and combat bureaucracy to straighten out the workstyle of leadership, subjectivism; to straighten out ideological style, formalism to straighten out work style, and individualism to foster the idea of serving the people wholeheartedly.

It was urged at the plenary session that efforts be made to apply the spirit of rectifying incorrect styles of work to summarizing the experience and lessons, to accurately discern the basic demand for establishing close ties with the masses. Since the Fourth Plenary Session of the 13th CPC Central Committee and the third plenum of the fifth provincial party committee, the provincial party committee has fostered the basic spirit of the canons and dealings of the central authorities in its work, it has grasped the two important links of doing more practical deeds for the people and of enhancing the work of conducting ideological education among the people, maintained and developed the flesh-and-blood tie between the party and the masses, and has worked hard for the people's interests. Rectifying incorrect styles of work means that according to the ideological and working reality of party members and cadres, efforts

should be made to actively carry out ideological struggle by following the principle of learning from past mistakes to avoid future ones, to generally and deeply conduct education on Marxism-Leninism-Mao Zedong Thought, and to consolidate the ideological style and work style. Party organizations at all levels must deeply understand the implication of the spirit of rectifying incorrect styles of work and resolutely apply the spirit to studying and implementing the decision adopted at the Sixth Plenary Session of the 13th CPC Central Committee. A good job should be done in dealing with some ideological problems which crop up with regularity.

It was emphatically pointed out at the plenary session that efforts should be made to apply the spirit of rectifying incorrect work styles to implementing the central decision and to concentrate on carrying out the decision. In establishing a close tie with the masses at present, we should do a good job in fulfilling the following tasks:

1. Leading organs and cadres should set examples in checking the tie with the masses, straightening it out, consolidating it, and improving it.
2. Efforts should be made to resolutely block malpractice committed by various industries and trades and to punish acts violating the law and discipline.
3. A good job should be done in vigorously making arrangements for the people's livelihood and adequately dealing with everyday problems encountered by the poorest people.
4. Efforts should be made to enhance public security management and to deal strict blows to criminals and economic crimes so as to ensure that the people can live and work in peace and contentment.
5. By regarding them as important in the endeavor to establish closer ties with the masses, efforts should be made to launch the campaign of further enhancing ideological, organizational, and workstyle construction among grassroots level party organizations in order to ensure the fulfillment of the detailed rules and regulations formulated by the central authorities and the provincial party committee.
6. All-out and strenuous efforts should be made to have the basic demands set out in the detailed rules and regulations on implementing the central decision carried out in a down-to-earth manner.

The provincial party committee has demanded that efforts should be made to mobilize the masses, to rely on them, and to strive for the fundamental interests of the people. The most important task at present is to work hard to have politics, the economy, and society achieve further development. In particular, we, at present, should vigorously carry forward the diligent spirit of surmounting every difficulty, the bold and lofty spirit of doing pioneering work, the sacrificial spirit of taking the whole situation into consideration, and the unifying spirit of making a concerted effort.

In concluding the plenary session, the participating members unanimously approved the resolution on implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee.

Attending the plenary session were 38 members of the provincial party committee and six alternate members. Seven members were absent.

Among those who attended the plenary session as observers were members of the provincial Advisory Commission and the provincial Discipline Inspection Commission, secretaries and deputy secretaries from the party's leading groups of the provincial People's Congress and the provincial Chinese People's Political Consultative Conference Committee, and responsible comrades from the provincial level departments concerned.

### Northwest Region

#### Li Ziqi Delivers Speech at Intellectuals' Forum

HK0805095490 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 7 May 90

[Excerpts] Yesterday afternoon, Li Ziqi, secretary of the Gansu Provincial CPC Committee; Lu Kejian, deputy secretary of the Gansu Provincial CPC Committee; and leaders of the Propaganda Department of the Gansu Provincial CPC Committee, joined more than 40 old, middle-aged, and young intellectuals at a forum to study the speech made by General Secretary Jiang Zemin at a meeting held in Beijing in commemoration of the "4 May Movement." [passage omitted]

Comrade Li Ziqi delivered a speech.

In his speech, Comrade Li Ziqi said that the speech made by General Secretary Jiang Zemin commemorating the "4 May Movement" has been welcomed by the broad masses of intellectuals and young students. This shows that the general secretary's speech is of profound historical and realistic significance. General Secretary Jiang Zemin fully affirmed the achievements made by the broad masses of Chinese intellectuals. Past practice has borne out that the broad masses of intellectuals have always been a backbone force in our socialist construction cause.

Comrade Li Ziqi expressed the hope that the broad masses of intellectuals will fully understand and implement the spirit of General Secretary Jiang Zemin's speech, develop patriotism, work hard, and make greater contributions to maintaining overall stability and promoting economic development in China.

The forum was presided over by Lu Kejian, deputy secretary of the Gansu Provincial CPC Committee.



### **Gansu Holds Family Planning Work Meeting**

HK0605003490 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 4 May 90

[Excerpt] An on-the-spot provincial meeting on family planning work was held in Tongwei County on 4 May.

Attending were provincial people's congress Vice Chairman Ma Qiangqing, Vice Governor Zhang Xuezhong, veteran comrade Chen Zhi, provincial party committee Propaganda Department head (Yao Wenchang), and provincial people's government Secretary-General (Wei Qinghong).

Provincial party committee Secretary Li Ziqi and Governor Jia Zhijie sent a jointly-signed letter to the meeting to extend their best regards. The letter points out: Over the past few years the province's family planning work has achieved successes but the natural growth rate of the population has been on the high side. In some areas, nationality over and above the prescribed quotas is relatively serious. Under the leadership of party and government organizations at different levels, this year family planning work has begun regaining the initiative. This has promoted the progress of family planning work in the urban and rural areas of the province and laid a sound foundation for successfully controlling the planned targets for the province's growth rate. The letter also said: Family planning work is a matter for both the entire party and the whole people. Party committees and governments at different levels should strengthen their leadership over the work. The whole province should make concerted efforts to carry out family planning work with tangible results, give profound and wide publicity and education to raise the ideological level and awareness of the people and win their understanding and support, pay attention to methods in work, make arrangements in an overall way and adopt practical measures. [passage omitted]

### **Zhang Boxing Views Multiparty Cooperation**

HK0805031890 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 7 May 90

[Text] Yesterday afternoon, the Shaanxi Provincial CPC Committee held a democratic consultation meeting to listen to the views and proposals of personages of various democratic parties and public figures without party affiliation, with regard to the implementation of "Opinions of the CPC Central Committee on Persisting in and Perfecting the CPC-led Multiparty Cooperation and Political Consultation System;" and with regard to the work of the Shaanxi Provincial CPC Committee and the Shaanxi Provincial People's Government.

Responsible persons of various democratic parties attended and delivered speeches at the meeting.

Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, also attended and delivered a speech.

Comrade Zhang Boxing said that over the past few months, the Shaanxi Provincial CPC Committee and the Shaanxi Provincial People's Government have done a lot of work in respect of implementing the spirit of "Opinions of the CPC Central Committee on Persisting in and Perfecting the CPC-led Multiparty Cooperation and Political Consultation System" and the spirit of a series of important documents issued by the Central authorities. In the future, redoubled efforts must be made to organize all the comrades to carry out in-depth study of all the important documents so as to heighten their understanding of the spirit of them. The party and government leaders at all levels must take the lead in studying. It is also necessary to take measures to solve some of the existing problems in the course of implementing "Opinions of the CPC Central Committee on Persisting in and Perfecting the CPC-led Multiparty Cooperation and Political Consultation System." The CPC committees and people's governments at all levels must create favorable conditions for various democratic parties to participate in the discussion of political and state affairs, and conscientiously listen to the views and proposals put forward by various democratic parties. The people's governments at all levels must speed up the pace of inviting them to take leading posts within the government. Greater efforts must also be made to give full scope to the role played by the people's congresses and CPPCC committees at all levels. It is also necessary to create conditions aimed at gradually improving the working and living conditions of personages of various democratic parties.

Comrade Zhang Boxing also briefed all the participants on the progress of various types of work of Shaanxi Province.

### **Xinjiang Leaders Celebrate Festival With Muslims**

OW2804213190 Beijing XINHUA Domestic Service  
in Chinese 1449 GMT 27 Apr 90

[By reporter Wang Youfu (3076 2589 1381)]

[Text] Urumqi, 27 Apr (XINHUA)—Approximately eight million Muslims of various nationalities who cherish Islamic religious beliefs celebrated the festival of the end of Ramadan [the Lesser Bairam, or the Festival of Fast-Breaking] in the cities, towns, townships, and villages north and south of the Tianshan Mountains in Xinjiang Uygur Autonomous Region on 27 April.

According to the calendar of the Islamic religion, the traditional Ramadan festival falls today [27 April]. More than 260 mosques in Urumqi City received many more Muslims than usually flock there for religious services. People wearing various colorful nationality costumes and smiling cheerfully spent the festival holiday shopping and calling on relatives and friends in Nanliang District of the city, where minority nationalities live in small communities. On No. 3 Lane of Shengli Road, crowds of men and women wearing costumes of the Uygur nationality chatted and laughed in a festive atmosphere of tranquillity and peace.



The Urumqi financial and trade departments properly made prior arrangements for the supply of commodities during the holiday so that people could have a good time celebrating the Ramadan festival. According to statistics, it was planned that a total of more than 40 million yuan worth of commodities would be sold throughout the city during the festival. This represented an increase of 18 percent over sales during the same period last year. The quantity of special commodities needed by minority nationalities also showed a considerable increase.

During the past few days, some units, institutions, and departments in Urumqi held successive discussion meetings and get-togethers to celebrate the Ramadan festival. Wang Enmao, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee; Song Hanliang, secretary of the Xinjiang Uyghur Autonomous Regional CPC Committee; and Huang Baozhang, vice chairman of the autonomous regional people's government, happily gathered together under the same roof with the cadres and masses from all sectors of every minority nationality. They offered warm season's greetings and sincere regards to Muslims of every minority nationality throughout Xinjiang.

According to our understanding, gala scenes of the festival could be seen everywhere in Kashi City, southern Xinjiang—called the center of the Islamic religion—today.

#### **National Unity Activities Launched in Xinjiang**

*HK0805032390 Urumqi Xinjiang Regional Service  
in Mandarin 2210 GMT 7 May 90*

[Text] The month-long activities of educating people to cement the unity of all nationalities in Altay Prefecture are both colorful and are developing in a down-to-earth manner, and helped solve practical problems.

Government organs and schools, factories and mines and enterprises and institutions have launched one after another different kinds of activities such as meetings of making friends, lectures, discussion meetings, {word\$ indistinct} contests and propaganda boards. All this has deepened the understanding of the harmfulness of counterrevolutionary armed rebellion, conduct in an intensive and deepgoing way education on the Marxist ideology of nationalities, the parties policies on nationalities and the unity of all nationalities, and raise the consciousness of different-level cadres and the masses in opposing splittism and safeguarding the reunification of the motherland.

### **Fishing Boats To Escort 'Goddess of Democracy'**

HK0705020590 Hong Kong WEN WEI PO in Chinese  
7 May 90 p 3

[Report: "Taiwan Plans To Use Fishing Vessels To Escort Radio Ship 'Goddess of Democracy'"]

[Text] According to a Taiwan press report, the Taiwan authorities plan to escort the radio ship "Goddess of Democracy" indirectly.

The report said that the whole plan was plotted by Huang Yang-yi from Taiwan's Su'ao fishing circles, who earlier smuggled wanted criminals from the mainland to Taiwan. The report said that "the activities covered in the plan include sending fishing vessels to Taiwan's east coast to welcome the radio ship; if the ship is not allowed to enter Keelung, it may anchor at Su'ao." The Su'ao fishing circles will give a rousing welcome to the radio ship from afar to let the crew members feel they "are at home."

The report continued that "when the radio ship sets sail after taking on supplies, fishing vessels will also be dispatched to escort the 'Goddess of Democracy' to the east sea. The fishermen from Su'ao have decided that if the CPC attempts to detain or harass the radio ship, Taiwan fishing vessels will immediately draw close to the ship and form a 'wall of vessels' to stop the CPC ships and protect the radio ship."

### **'Shock' Reported Over Prime Minister Nomination**

HK0305141690 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1125 GMT 3 May 90

[Roundup by Li Xiaozhun (2621 1321 6150): "The Nomination of Hao Pai-tsun To Organize the Cabinet Shocks All Walks of Life in Taiwan"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 3 May (ZHONGGUO TONGXUN SHE)—Although the candidate for the next Executive Yuan President has not yet been officially announced, the nomination of Defense Minister Hao Pai-tsun to organize the cabinet, has sent violent shocks around the island. Debate in various circles focuses on whether a military strongman should be an executive prime minister.

First, it is shocking that the "black horse should have won the race." Taiwan political circles and media had recently been drumming up opinions and speculating on the candidates for the next Executive Yuan director. The media had mostly viewed Lin Yang-kang, director of the judiciary department, Lien Chan, foreign minister, and Chairman of Taiwan Provincial Government Chiu Chuang-huan, as the hot favorites for prime minister. But yesterday, Hao Pai-tsun confirmed personally that Li Teng-hui had decided upon him to organize a cabinet. This is a totally surprising move. The Taiwan Legislative Yuan learned the news while in session. Its first response was "shock." Most people in political circles were also surprised. The reasons are: One, "it is not understood why a soldier was nominated to organize the cabinet

while civilian officials were excluded." Two, most of the KMT high-level Central Committee Standing Committee members had no prior knowledge of the nomination. "Society learned about the news before the officials." And so they were shocked.

Second, the opinions of official and unofficial legislative members are sharply divided. Controversy raged among them about the advantages and disadvantages of having Hao Pai-tsun organize the cabinet. The bone of contention is whether a military officer should go into politics. Most of the senior KMT legislative members, and part of the legislative members who had recently jointly supported the incumbent executive director Li Huan to remain in the position, supported the nomination of Hao Pai-tsun as prime minister. Their reasons: The only problem in Taiwan now is deteriorating public security. In face of the aggravated chaos, it is time Taiwan had a "strongman" to resolve the security crisis. Hao Pai-tsun, a military officer by training, will have enough willpower and ability to undertake the task. These senior legislative members disagree with the opinion that the nomination of Hao Pai-tsun as prime minister smacks of "military officers meddling in politics." On the contrary they wonder how Taiwan will be protected if military officers do not go into politics. On the other hand, most of the legislative members from the Democratic Progressive Party consider the nomination of military strongman Hao Pai-tsun as Executive Yuan director as a "retrogressive act for democracy." If Taiwan is to head toward democratic constitutional politics, "it is impossible for the Executive Yuan to be led by a military strongman." These legislative members complained that there are many candidates on the island qualified to be director of the Executive Yuan and, of all these candidates, Li Teng-hui chose Hao Pai-tsun. This signals the beginning of "military officers meddling in politics" and the loss of confidence in Li Teng-hui.

Third, whether Hao Pai-tsun can pass the Legislative Yuan. Although Li Teng-hui has nominated Hao Pai-tsun as the prime minister, the nomination still awaits adoption by the Legislative Yuan. As the opinions of the ruling and opposition parties are sharply divided, with disputes within the ruling party, whether the nomination can be passed has become a focus of concern in political and media circles. Yesterday CHUNG KUO SHIH PAO [China Times] surveyed 92 legislative members. Of them, 36 supported Hao Pai-tsun, 33 were against him, and the rest were uncertain. However, according to an estimate of the party organ of KMT legislative members, after consultation and coordination, Hao Pai-tsun's nomination should be passed by the Legislative Yuan by exercising its power of approval.

### **Ni Zhifu Extends Labor Day Greetings to Workers**

OW0105003190 Beijing XINHUA in English  
1006 GMT 30 Apr 90

[Text] Fuzhou, April 30 (XINHUA)—Ni Zhifu, vice-chairman of the Standing Committee of the National

People's Congress [NPC] and president of the All-China Federation of Trade Unions, today delivered a broadcast speech to extend holiday greetings on International Labor Day to the workers of Taiwan.

The speech was made via a broadcasting station in Fujian Province, in southeast China.

Ni said, "In celebration of May 1, I extend to you and your relatives cordial greetings from the All-China Federation of Trade Unions and the 130 million workers on China's mainland."

He said he hoped that the workers of both Taiwan and the mainland would strengthen contacts and work together for the reunification and development of the country.

He briefed the Taiwan people on the favorable situation in the mainland.

Speaking of the contacts between the two sides, Ni said that last month the mainland received the first trade union delegation from Gaoxiong (Kaohsiung) City in Taiwan, which opened a new chapter in relations between the workers of the two sides of the Taiwan Strait.

However, he said, such contacts are still very few. "We sincerely hope that the relations between trade unions and workers on the mainland and Taiwan will be further improved and the two sides will share experiences in trade union matters, promote mutual understanding, and strengthen exchanges and co-operation in production and technology on the basis of mutual respect and seeking common ground while reserving differences so as to work together for the prosperity of China."

He expressed his hope that the Taiwan authorities would follow the wishes of the people and relax the limits on the people of Taiwan and the mainland wish to visit their relatives.

Ni also extended a welcome to Taiwan people to come to the mainland for the 11th Asian Games to be held in September in Beijing.

#### **Investors Interested in Shantou Economic Zone**

HK0205015490 Beijing CHINA DAILY in English  
2 May 90 p 2

[By Wu Yunhe and Wang Wei]

[Text] Taiwan investors are coming across the Straits for business opportunities in Shantou, a special economic zone in Guangdong Province.

Lin Qidong, the head of the Administration of Shantou Special Economic Zone, says his city is one of the main attractions Taiwan entrepreneurs choose in coastal Guangdong and Fujian provinces for joint ventures.

During the first quarter of this year, more than 250 Taiwan entrepreneurs went to Shantou to investigate investment possibilities, Lin said.

Taiwan business people have so far invested in 22 Shantou ventures, with a pledged investment of \$47 million.

Half of the firms are funded solely by Taiwan investors, Lin said.

These firms are ranging from livestock, fodder, food and light industrial goods.

According to the State Statistical Bureau, businessmen from Taiwan agreed to set up 552 ventures in the mainland last year, with a promised investment of \$437 million.

The bureau reported that 65 per cent of these ventures are located in Guangdong and Fujian provinces, where \$334 million has already been poured in from the other side of the Straits.

"In Shantou, the majority of these ventures are of small or medium size," Lin said.

"Taiwan companies are cautious in investing, so they prefer business involving only small investment," he added.

The situation has forced the local government to speed up improving the investment environment to attract more and bigger investment from Taiwan business people.

The municipal government is constructing several infrastructural projects including a 10,000-kilowatt thermal power station and 3,000 lines of program-controlled telephones.

The two projects are expected to go into operation next year, Lin said.

**Chiang Wego Denies Contacting Deng Xiaoping**

OW0605142190 Taipei CHUNG KUO SHIH PAO  
in Chinese 19 Apr 90 p 3

[Text] General Chiang Wego, secretary general of the National Security Council, said on 18 April at the Legislative Yuan that an article by columnist (Anderson) of the U.S. newspaper THE WASHINGTON POST saying that he had contacts with Deng Xiaoping was a groundless insult to him. He said helplessly: "How could I have dealt with the head of our enemy?"

Secretary General Chiang made these remarks at yesterday's Legislative Yuan's budget examination session, at which he was asked to explain a report by THE WASHINGTON POST saying that, while in the United States, he had contacted and communicated with Chinese Communist leader Deng Xiaoping through a secret channel.

Chiang Wego said that not only was it was a serious mistake and an unfounded report, but it was also the most serious, groundless insult he had ever suffered.

However, Chiang Wego also pointed out: If I would have had to do it, I only would have done it on someone's order. But no one gave such an order. If someone had to do it, someone else, but not me, would have been assigned to do the job.

Chiang Wego said: The whole thing is sheer nonsense. I am puzzled by numerous local press reports saying that I "linked" with Deng Xiaoping, had contacts with him, and communicated with him. Some even used the incident to call for disciplinary action against me and abolishing the National Security Council.

Chiang Wego even took time to read, in Chinese and English, a letter which the Republic of China's Representative Office in the United States has sent to THE WASHINGTON POST, refuting the report. He also gave an account of his two recent visits to the United States in an effort to prove his innocence.

Chiang Wego said: Reports claim that I went to Mainland China during my visits to the United States. This is sheer nonsense. During my visits to the United States, my entire itinerary was arranged by officials of our Representative Office in the United States. Time did not allow me to go to the Chinese mainland. Even if I wished to go, I was unable to do so.

Chiang Wego said: I was accompanied by my wife during my recent visits to the United States. We ought to have some time for our second honeymoon! During our visits, besides giving speeches and making courtesy calls, we needed some time for our second honeymoon when we went back to our hotel at night!

Impatient with Chiang Wego's tedious explanations, Hsieh Chang-ting, a legislator of the Democratic Progressive Party [DPP], brought up the issue of the session's procedures, and requested that Chiu Lien-hui,

chairman of the budget examination session, stop Chiang Wego's report, using the time limit as a reason.

Upon hearing that, Chiang Wego promptly said: "I will stop right now. I have finished my report." He immediately concluded his report and stepped down from the platform. The session then began with legislators' interpellations and officials' answers on budget issues.

**Li Teng-hui Urges Mainland To Renounce Force**

OW0705163990 Taipei CNA in English  
1515 GMT 7 May 90

[Text] Taiwan, May 7 (CNA)—President Li Teng-hui said Monday the Chinese Communists should renounce force as a means to solve the issue of China unification in order to pave the way for further relations between the two sides of the Taiwan Straits.

The president said in a long meeting with nine lawmakers that the ultimate goal of the Republic of China's [ROC] policy toward the China mainland was to solve the unification of the divided country "by peaceful means."

What the mainland wished from Taiwan was needed capital to help revive its economy, and Taipei would like to see Peking change its rigid political and economic systems, President Li said.

To make this possible, Li noted that the Peking regime should first renounce force as a means to solve the issue of China unification in order to ease tensions across the straits.

Taipei would consider further opening relations with the mainland when Taiwan's security could be ensured, the ROC leader told the members of the Legislative Yuan.

During the meeting lasting for two hours and forty minutes, the president and his guests also exchanged opinions on a wide range of topics, including those about domestic political situation and agricultural development.

**Li Teng-hui Confirms Nomination for Premier**

OW0705164890 Taipei CNA in English  
1522 GMT 7 May 90

[Text] Taipei, May 1 [date as received] (CNA)—President Li Teng-hui told Premier Li Huan in their regular Monday meeting that Defense Minister Hau Pei-tsun will be nominated as the next premier, according to Chiu Chin-yi, spokesman for the presidential office.

Chiu also quoted the president as saying that the outgoing premier will be appointed as a senior adviser to the president after the May 10 cabinet shake-up.



### Dissident Leader Yan Qiaqi Arrives for Visit

OW0705164290 Taipei CNA in English  
1542 GMT 7 May 90

[Text] Taipei, May 7 (CNA)—Yan Qiaqi, chairman of the Paris-based Federation for Democracy in China, a Mainland Chinese dissident organization, flew into Taipei Monday for a week-long visit to the Republic of China.

Yan, former director of the Political Science Institute of the Chinese Communist Academy of Social Sciences, fled the mainland after last June 4 when the Peking regime violently crashed prodemocracy student demonstrators in Tienanmen Square in what many have described as a bloody massacre. Hundreds are believed to have been killed in the tragic incident.

Yan joined other exiled mainland students in organizing the Federation for a Democratic China after arriving in Paris with his wife. As a leading intellectual promoter of the mainland democracy movement, he was overwhelmingly elected chairman of the organization when it was formally established last year.

He has issued a statement denouncing Peking's paramount leader Teng Hsiao-ping, Premier Li Peng, and President Yang Shang-kun as "public enemies of the people of the mainland."

### Further Reportage on 'Goddess of Democracy'

#### Hong Kong Ban Viewed

OW0505161690 Taipei CNA in English  
1432 GMT 5 May 90

[Commentary by the Broadcasting Corporation of China: "London Bans Goddess of Democracy Ship"—"It does not reflect the opinion of CNA"]

[Text] Taipei, May 5 (CNA)—Like the black widow who eats her newborn sons, the British colonial government in Hong Kong has decided to ban the mainland Chinese dissident ship, the Goddess of Democracy, from entering Hong Kong harbor. One might have expected that the mother of modern democracy would give preferred treatment to a ship with a democratic cause, but London is too wrapped up in appeasing the Chinese communist regime in Peking to do anything that would put the British Government on the side of Chinese democracy, be it in Hong Kong or mainland China.

The Goddess of Democracy made a pit stop in Singapore and is now on its way to international waters off the southeast coast of mainland China, where it will begin making TV and radio broadcasts on democratic themes to the Chinese mainland. The ship plans to stop in Taiwan or Hong Kong to pick up supplies for its ten-man crew of French journalists and Chinese dissidents. The ship is sponsored by the French magazine ACTUEL and the worldwide Front for Democracy in China, a union of exiled mainland Chinese dissidents.

Peking has threatened to halt the ship's progress toward those international waters. The French journalists on board report that the Goddess of Democracy has been harassed repeatedly by Chinese communist cargo vessels in open waters.

Peking warned Hong Kong and Taiwan not to let the ship dock for supplies. The British Government has decided to heed that warning by banning the ship from Hong Kong harbor. Authorities here in the Republic of China on Taiwan are still debating what course of action to take. In prior official announcements, Taipei has repeated its moral support for the Goddess of Democracy, and has said it will be permitted to dock in the northern port of Keelung if it applies under international port regulations.

But some officials in Taipei are not taking lightly the Chinese communist regimes threats over this matter. Peking has called support for the ship "open provocation." That means Taipei, like Hong Kong, would have to think twice about servicing the Goddess of Democracy, or blatantly supporting it anyway.

With or without Taiwan's support, the ship appears to be headed for a showdown with the Chinese communist hardliners in Peking. The issue will come to a head early next week when the boat reaches its destination and tries to broadcast for the first time.

Thus far, the boat has received plenty of international moral support, especially since the first anniversary of the Tienanmen massacre on June fourth is approaching. That incident began the violent crackdown on the democracy movement in Communist China.

The boat may have been given a further moral boost on Friday after U.S. President George Bush told reporters he was disappointed with Peking's failure to loosen the screws of repression after he made concessionary approaches to Communist China. Now, if Peking were to take drastic action against the Goddess of Democracy, Bush might be more inclined to draw the line with Peking.

But that remains pure speculation as the Goddess of Democracy enters dangerous waters off mainland China. One hopes she will become the "little boat that could" in her fearless defiance of Chinese communism. She needs all the moral support she can get.

### Ship To Request Docking

OW0705130690 Taipei International Service in English  
0200 GMT 7 May 90

[Text] The dissident radio ship Goddess of Democracy will apply to dock in Taiwan after having been rejected by Hong Kong authorities, organizers said Saturday. Hsu Tien-fang, deputy director of the Boat for Democracy Organization, said the Taiwan branch of an international shipping company had agreed to serve as the

boat's agent and will apply to the Ministry of Communication to allow to dock in Keelung Harbor in northern Taiwan.

The ship left for Singapore on Thursday. Instead, it headed for Hong Kong, where Governor Sir David Wilson said it will not be allowed to dock in the British colony that will be returned to Chinese rule in 1997. On leaving Singapore, organizers said they will sail to Hong Kong, because they cannot find a shipping agent in Taiwan where shippers apparently fear the 1140-ton converted trawler will not be given the permission to berth by the government, which had expressed an ambiguous attitude toward the ship.

#### **May Request Temporary Berthing**

OW0705130990 Taipei Domestic Service in Mandarin  
2300 GMT 6 May 90

[Text] Regarding the docking of the ship Goddess of Democracy in Taiwan, the Keelung Harbor Administration pointed out that the Goddess of Democracy may apply to dock either in Keelung or Suao for temporary berthing if necessary. Hsu Tian-fang, deputy director of the Boat for China Organization, pointed out: With regard to the issue of refueling, the Boat for China Organization has already given a shipping agent the full power to handle this case. The shipping agent will submit the application to a refueling port for the ship to dock at the appropriate time.

The radio ship Goddess of Democracy is expected to broadcast pro-democracy reports to the coastal areas on Mainland China. In the face of possible retaliation by Peiping, it has already created political tension. After refueling in Singapore on 3 May, the 1,200-ton radio ship is expected to reach international waters in two weeks and begin its broadcast. Peiping has already refused to rule out the use of force to prevent the ship from broadcasting.

#### **Fishermen Ready To Welcome Ship**

OW0605174790 Taipei Domestic Service in Mandarin  
2300 GMT 5 May 90

[Text] While the government and ruling party are tackling the knotty question of whether to allow the "Goddess of Democracy" radio ship to call at Keelung Port for supplies, some enthusiastic fishermen have taken the initiative to prepare for various welcome and escort activities. In addition to sending fishing boats to escort the ship to the port, a fishing fleet will be formed to escort the ship to the scheduled broadcasting site in the East China Sea.

The chief architect of the activity is (Huang Yang-i), a celebrity of Suao's fishing circles, who once worked with Tangshan music album chief editor Chen Pai-chung to

secretly assist mainland democracy activists Chang Kang, (Chou Chiang), and (Wang Lung-meng) in fleeing to Taiwan by sea.

According to the plans, a fishing fleet will be dispatched to welcome the radio ship at a certain offshore point of Taiwan's eastern coast. If the ship is not allowed to call at Keelung, it will be escorted to Suao Port. The fishing circles in Suao will give a rousing welcome to the ship from afar, in order to make its crew feel very much at home.

The activities, sponsored by (Huang Yang-i), are endorsed and supported by fishing circles in the Kaohsiung area. A few legislators from the fishermen's constituencies will mobilize about a dozen or so legislators to board a boat to welcome the radio ship off the eastern coast, and will give as much material assistance as possible to the ship.

The radio ship is currently sailing toward Taiwan. The ship's commercial agent in Taiwan will submit a port call application to the Keelung Port Authority in the next few days.

The French association involved with the Chinese ship has denied the rumor that the radio ship plans to change its port call to the Philippines because of the sensitive nature of the ship's port call in Taiwan.

#### **Trade Group Prepares To Leave for Mainland**

OW0605162190 Taipei CNA in English  
1506 GMT 6 May 90

[Text] Taipei, May 6 (CNA)—A trade and economic observation group of the small- and medium-sized enterprises association of the Republic of China is to leave here Monday for the Chinese mainland. This will be Taiwan's first legally organized trade group to visit the mainland after the government formally lifted the ban on mainland business tours.

According to Li Chen-hoa, president of the association, the group, consisting of more than 40 managers from local enterprises, will visit five commercial centers on the mainland—Canton, Amoy, Hangchow, Shanghai and Peking—and hold five seminars during its 11-day tour.

At the seminars, Li said, some Taiwan businessmen who have already invested in these cities will be invited to report on their personal experiences so as to gather market information and lower risks for the new comers.

He said it might be inevitable for the group, though purely commercial in nature, to contact and meet with city authorities during its visits, but the group would not seek meetings with communist cadres in the higher echelon directly.

## Hong Kong

### Reportage of PRC Abduction of Policemen

#### Abducted Policemen Released

HK0405020390 Hong Kong HONGKONG STANDARD in English 4 May 90 p 1

[By Marcal Joanilho and Tammy Tam]

[Text] Two policemen abducted to China from Hong Kong waters at gunpoint by Chinese security guards were released yesterday after being detained for more than 14 hours.

The two officers were part of a joint operation between the New Territories Criminal Investigation Department and Marine Police investigating the smuggling of stolen vehicles into China.

The policemen had boarded a Chinese trawler to investigate but the vessel sped away into Chinese waters while their colleagues watched.

Two Chinese speed boats escorted the trawler with the policemen aboard from Pillar Point, off Tuen Mun, to the southern port of Shekou at 4am.

A Government spokesman said a vessel with two Hong Kong policemen on board was taken from within Hong Kong waters to Shekou.

The spokesman said Hong Kong was in urgent contact with Chinese officials.

Both the Government and police kept the incident secret until the Government Secretariat issued the statement at 6.15 PM—the same time the two policemen walked across the Lo Wu border.

THE HONGKONG STANDARD learned a party of policemen from the New Territories headquarters, supported by officers from Marine Police had prepared an ambush near a pier in Pillar Point about 3 AM.

They observed and filmed the transfer of expensive cars, believed to have been stolen, to a Chinese registered trawler.

After three Mercedes-Benz cars had been put aboard the trawler, two policemen boarded the vessel.

But a man who identified himself as a Chinese security guard, demanded that the trawler sail back to China.

After a brief argument, the man threatened to shoot the two policemen if they did not leave.

Soon the man was joined by several heavily-armed men in two speed boats.

The situation was tense with both sides pointing guns at each other, and the Marine Police launch blocked the path of the trawler.

But when the Chinese insisted on sailing with the two officers still aboard, the local police gave in.

The Marine Police launch followed the trawler to Chinese waters before turning back.

It has not been established why the Chinese speed boats sailed into Hong Kong.

Unconfirmed reports claimed they were also investigating car smuggling from Hong Kong to China.

Police have become increasingly worried by an upsurge in car thefts in the territory, with expensive Japanese cars being stolen and shipped to China for resale.

According to police sources, Pillar Point is one of the transfer points.

#### Strong Protest Launched

HK0505043590 Hong Kong SOUTH CHINA MORNING POST in English 5 May 90 pp 1, 2

[By Fanny Wong and Jeremy Lau]

[Text] The Political Adviser, Mr William Ehrman, has lodged a strong protest against the abduction of two Hong Kong policemen by Chinese security officials in Hong Kong waters with the local branch of the New China News Agency.

Despite a senior Shenzhen official's claim yesterday that the mainland security officers had intercepted the vessel carrying the two police officers in Chinese waters, it is understood the Government has produced evidence for the NCNA showing that the incident took place in Hong Kong waters.

The letter also demanded the return of the crew—who are alleged to have attempted to smuggle three luxury cars to China—the vessels they boarded, and the cars.

The Government maintains the crew members should be tried in Hong Kong, according to local laws.

But in a statement early this morning, the NCNA denied that the letter was a protest. They said it merely thanked the Chinese for releasing the two officers.

It said an investigation by the Guangdong authorities showed there had been six other people on board the vessel. "Five of them were Hong Kong residents holding HK ID cards and the other one is a mainland smuggler.

It also denied that there were four men dressed in military uniform on board the so-called smuggling vessel.

Earlier a Hong Kong Government spokesman had said: "We have protested strongly to the NCNA.

"Contrary to some reports, the incident took place in Hong Kong waters and the vessels were boarded when

berthed at a pier in Castle Peak by uniformed Chinese security officials who remained on board until the vessel reached China.

"The vessels, the crew and the vehicles have not yet been returned and we hope that they will be soon."

The Shenzhen official had insisted the two Hong Kong police officers were in Chinese waters when the incident occurred.

The official, Mr Huang Xinhua, said a suspicious vessel was discovered by the officers in Chinese waters off Shenzhen at about 6 AM on Thursday.

Eight people and three cars were found on board the ship, Mr Huang said.

Two men were later confirmed to be Hong Kong undercover police officers and were sent back to Hong Kong via Lo Wu.

Mr Huang said the other six people and the smuggling ship were being held for investigation.

The two policemen were part of a five-man team of plainclothes Marine Police on an undercover operation investigating the smuggling of luxury cars to China.

The pro-Beijing newspaper WEN WEI PO quoted Guangdong officials as saying the boat was intercepted on its way to Shekou from Hong Kong.

"Shekou border police officers intercepted and detained the ship when it entered China waters," it said.

It is understood the vessels the Hong Kong authorities demanded be returned include a lighter and a tug.

The Marine Police have a number of photographs of the incident.

#### **Distortion of Facts Condemned**

*HK0805023990 Hong Kong SOUTH CHINA MORNING POST in English 8 May 90 pp 1, 3*

[By Marcal Joanilho and Tammy Tam]

[Text] China yesterday condemned the Hong Kong Government over its allegations about the abduction of two policemen to Shekou, saying it had "distorted the facts" and "misled the public".

The Government responded with a brief statement saying it stuck by its earlier stand.

In a strongly-worded statement, a spokesman for the Hong Kong branch of the XINHUA NEWS AGENCY said that for top Hong Kong officials to accuse Chinese uniformed officers of involvement in the incident was a "very unfriendly action".

XINHUA also said photographs supplied by the Government as evidence did not prove anything.

Last Thursday two policemen on an anti-car smuggling operation were held at gunpoint and abducted from Hong Kong waters to China. They were released 14 hours later.

A Hong Kong Government spokesman said yesterday: "We have already made our position clear. The facts are as we have stated them."

Last Friday the Government said: "The vessels were boarded when berthed alongside a pier in Castle Peak by uniformed Chinese security officers who remained on board until the vessels reached China."

China has repeatedly insisted there were no Chinese uniformed officers involved in Hong Kong waters and that the two local vessels were intercepted in Chinese waters off Inner Ling Ding Island.

The XINHUA spokesman said yesterday investigation in Guangdong had revealed the five Hong Kong identity card holders and a mainland smuggler on board the vessels had confessed that they were chased into Chinese waters by Hong Kong Marine Police.

"The involvement of Chinese police in the case is therefore out of the question," said the spokesman.

"Senior officials in the Hong Kong Government have seriously distorted the facts, misled the public and accused the Chinese side without reason. This is a very unfriendly action."

The Government spokesman last night refused to comment on the accusation. He said: "We have expressed our grave concern to the NCNA (XINHUA) about this incident. We remain in touch with NCNA and want to see the incident resolved as soon as possible."

Ji Shaoxiang, head of the Foreign Affairs Department of XINHUA, told THE HONGKONG STANDARD last night that none of the pictures provided by the Hong Kong Government showed Chinese security officers boarding the vessels while in Hong Kong waters.

Confirming that he had received two sets of photographs, he said: "The first set were taken early in the morning. The background was dark, and they showed nothing significant."

"The second set, though they showed Chinese security officers on board the vessels, clearly showed they were inside Chinese waters."

Mr Ji asked how the Hong Kong Government could use the pictures as evidence.

He said Chinese officers had the right to carry out investigations in Chinese waters.

The pictures gave the Hong Kong Government no grounds to accuse Chinese officers of sailing into Hong Kong, he said.



Mr Ji, who visited Shenzhen the day after the incident, expressed surprise at the Hong Kong Government's handling of the case. Referring to a Hong Kong Government statement that it had made a strong protest to XINHUA, he said: "I have read all the written reports submitted to me by the Hong Kong Government. But I just can not find the words 'strong protest'."

"Mr William Ehrman (Hong Kong's political adviser) did not use such a term during our talks. All they used was 'serious concern'."

Mr Ji refuted reports in the Chinese press that the Hong Kong Government had made an "informal strong protest".

He said the term strong protest had not been used either informally or formally.

Meanwhile, Legislative Councillor Mr Martin Lee had urged the Government to clarify the Shekou incident.

He said he was concerned about reports that the two policemen were seized by Chinese armed officers in Hong Kong waters.

Mr Lee said the incident would also raise doubt over law and order in Hong Kong after 1997.

He called on the the Government to give a full account of the incident.

Mr Lee said he was considering whether to raise the question in the Legislative Council.

#### 'Unfriendly Act' Corroborated

HK0805033190 Beijing XINHUA Hong Kong Service in Chinese 0954 GMT 7 May 90

[Report: "Spokesman of XINHUA NEWS AGENCY Hong Kong Branch on the Car Smuggling Case"—XINHUA headline]

[Text] Hong Kong, 7 May (XINHUA)—A spokesman for the XINHUA NEWS AGENCY Hong Kong Branch made a statement today on the 3 May car smuggling case. The following is the text of the statement:

XINHUA NEWS AGENCY Hong Kong Branch clarified on 5 May the facts concerning the car smuggling case which took place on 3 May. According to findings by the Guangdong authorities, Hong Kong smuggling vessels 21540Y and 3553 were intercepted by Chinese frontier guards in the early hours of 3 May near Neilingding Island within Chinese waters. Apart from the two Hong Kong policemen who were returned to Hong Kong, the other five Hong Kong crew and one mainland smuggler on board admitted that they were intercepted by Chinese frontier guards when they entered Chinese waters to escape from Hong Kong Marine Police. The question of Chinese armed police taking part in the case basically did not exist. Senior Hong Kong Government officials have grossly violated the facts and confounded the

public, making unreasonable allegations against the Chinese side. This is an extremely unfriendly act. On this, we express our deepest regret. We would like to state again that during contacts with our staff, the responsible Hong Kong officials, whether verbally or in writing, had not lodged any "protest," as claimed by a Hong Kong Government spokesman. We are shocked at the act of this spokesman.

#### Verbal War Over Escalates

HK0805073590 Hong Kong MING PAO in Chinese 8 May 90 p 2

[Report: "The Hong Kong Government Makes a Response to the Statement Issued by the Chinese Side on the Car Smuggling Case"]

[Text] China and Hong Kong still adhere to their opinions on last Thursday's incident in which a smuggling ship loaded with cars and two Hong Kong policemen were taken to Shekou, and both sides continue making accusations against each other. The verbal war is seemingly escalating.

A spokesman for the Hong Kong branch of the NEW CHINA NEWS AGENCY (XINHUA) made a strongly worded statement last night, accusing "Hong Kong senior officials of grossly violating the facts, confounding the public, and making unwarranted accusations against the Chinese side."

The spokesman once again denied that the Hong Kong Government had lodged "a strong protest." He said that "during contacts with our staff, the responsible Hong Kong officials, whether verbally or in writing, have not lodged any 'protest'."

The spokesman described the Hong Kong Government's act as "extremely unfriendly," and expressed deepest regret, saying it was a great shock to them.

Not long after the XINHUA statement was released, Hong Kong government spokesman responded: "We have clearly expressed our position. The facts are as what was described earlier. We expressed grave concern over this incident. We continue to get in touch with them and are looking forward to an earlier solution of the matter."

The government spokesman refused to make a further comment but gave a positive reply when asked if the government's strong protest earlier remains in force.

The government spokesman had said earlier that the incident undoubtedly took place within local territorial waters, and that they have pictures which serve as evidence. These pictures have been handed to XINHUA.

The Hong Kong Government has not openly given an account of the incident so far. But it is understood that in lodging a protest against XINHUA over the incident, the Hong Kong Government had pointed out that Hong Kong Marine Police tried to intercept the lighter, which was used as an smuggling ship, off Tap Shek Kok (Hong

Kong's territorial waters), when two Hong Kong undercover police officers were doing their job on board the lighter. But the police officers did not use force to stop the lighter because they unexpectedly found Chinese armed security staff on board. And the lighter too did not take notice of the order to stop issued by the Marine Police launch.

An informed source told this reporter that if it had not been for the Chinese armed security officers, who prevented the two Marine officers from taking further action, the local Marine Police would, with the assistance of the two undercover police officers, have intercepted the lighter instead of allowing it to steam into Chinese territorial waters.

XINHUA spokesman also admitted that the lighter began steaming into Chinese waters after it had been ordered to stop, but he denied Chinese staff's involvement in the case.

The spokesman said: "According to findings by the Guangdong authorities, Hong Kong registered smuggling vessel 'S.S. Bo Quan' [3134 2938] '21540Y' (namely the relevant lighter) and the 'S.S. Gang Jian' [3263 1696] 3553 (namely the locally registered tug which was towing the lighter) were intercepted by Chinese frontier guards in the small hours of 3 May near Neilingding Island within Chinese waters."

"Apart from the two Hong Kong policemen who were returned to Hong Kong, the other five Hong Kong crew and one mainland smuggler on board admitted that they had been intercepted by Chinese frontier guards' launch No. 116 when they entered Chinese waters to escape from Hong Kong Marine Police. There is no question of Chinese armed police being involved in the case."

Ji Shaoxiang, chief of XINHUA Hong Kong Branch Foreign Affairs Department, said that the pictures provided by the Hong Kong Government cannot prove that Chinese police were involved in the smuggling case. Some pictures show Chinese police officers go aboard to carry out inspection in daylight, but the boat was near Neilingding Island, that is, within Chinese territorial waters.

#### Link Seen to Democracy Ship

HK0805024790 Hong Kong SOUTH CHINA MORNING POST in English 8 May 90 p 10

[By David Chen]

[Text] The United States has informally warned China not to touch the dissident GODDESS OF DEMOCRACY radio ship as it sails towards Taiwan, Chinese sources said yesterday.

The sources said they were informed that failure to comply would seriously jeopardise Washington extending Most Favoured Nation status to China for another year.

However, U.S. officials denied any knowledge of the warning, which apparently went through unofficial channels.

However, other sources said organisers of the ship project could have had a hand in floating the warning in a bid to maintain international interest in the vessel which is believed to be incurring exorbitant costs, estimated at U.S.\$40 (HK\$312 [Hong Kong dollars]) a minute.

"It is necessary for news about the ship to be on the front pages of most newspapers in order to draw sufficient attention and hopefully collect more donations for the project," said one source.

Even the Governor, Sir David Wilson, in categorically refusing to allow the ship port facilities here, accused the organisers of publicity-seeking.

Analysts said it was most unlikely Chinese warships would interfere with the ship on its northern journey through what could be described as "dangerous waters". This would mean little by way of news in the press and interest in the vessel could dwindle just as it makes the final leg of its long journey to Taiwan.

On the Chinese side, some analysts believe the abduction by the Chinese of two Hong Kong policemen may have had something to do with the democracy ship.

The two were abducted last Thursday when the ship was reported to be heading for Hong Kong. While there is no way of confirming the true intention behind the Chinese action, sources said the timing was more than coincidence—coming as it did as the vessel was reported heading this way.

Sources also noted that the policemen were released less than five hours after the Governor equivocally announced that the ship would not be allowed in port.

The last time a senior police officer was kidnapped was in October 1967, at the height of the Cultural Revolution when Hong Kong found itself fighting off an ultra-left onslaught. Inspector Frank Knight was kidnapped at the Man Kam to checkpoint while negotiating with farmers from across the border.

He spent five weeks in captivity before escaping to the New Territories.

Meanwhile, the arrival of a leading dissident, Mr Yan Jiaqi, in Taiwan is expected to provoke more condemnation by Beijing of the Kuomintang Government's alleged involvement in the democracy ship venture.

Taiwan sources said Mr Yan, chairman of the Paris-based Federation for a Democratic China (FDC) arrived in Taipei yesterday for a visit.

While Mr Yan's visit to Taipei had been arranged a long time ago, it is believed the political scientist, a former

adviser to ousted Communist Party chief Mr Zhao Ziyang, will tape special broadcasts for the ship.

The radio ship is on its way to Taiwan and is expected to call at the northern port of Keelung later this week if the Government gives its approval, according to Mr Xu Tianfang, co-ordinator of the Boat for China project.

#### **Police Clamp Down on Vietnamese Refugees**

*OW0505040390 Beijing XINHUA in English  
0104 GMT 5 May 90*

[Text] Hong Kong, May 5 (XINHUA)—About 1,200 Hong Kong police officers raided a detention camp for Vietnamese boat people yesterday and fired tear-gas to disperse a rioting crowd.

A police report said that during the operation which started at about 5:00 AM in the Whitehead Detention Center, some boat people attempted to set up barricades to prevent the search party from entering the dormitories. Police officers were also attacked with hard objects and offensive weapons.

Police had to fire about 100 rounds of tear-gas to disperse the crowds, the report said.

The situation was brought under control in about an hour. And two police officers were slightly injured.

As the operation was completed around 4:30 PM, ten suspected troublemakers were arrested and more than 2,500 homemade weapons were seized.

The ten arrested who comprised seven men and three women were allegedly in possession of offensive weapons and dangerous drugs.

The homemade weapons typically consist of spears, knives and axes made of iron bars. In addition, about 180 boat people were taken to other institutions for enquiries, police said.

Yesterday's operation was launched after repeated escape attempts at the overcrowded camp over the past few days. Earlier this week, more than 100 boat people sneaked out of a hole of the iron mesh fence and about half of them are still at large.

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